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FREIGHT TRAFFIC ISSUE

What shippers are saying about ICC's **federal-aid idea** for rail passenger service . . . . . p. 13

October 30, 1961

RAILWAY AGE WEEKLY

FOR ALL TRAFFIC: Railroads can compete everywhere—except short haul—because they offer superior economy. What's needed is cooperation that will allow this economy to be reflected in competitive rates. The charts (p.14) tell the story.

TWO IDEAS TO HELP RRs COMPETE

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FOR BULK TRAFFIC: Even with many cards stacked against them, rail carriers can strike back at waterway and pipe line competition—if new ideas in regulation accompany today's new ideas in equipment and operation . . . p. 17

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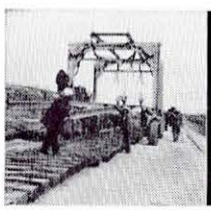

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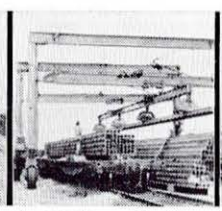

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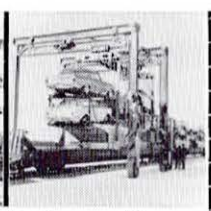

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RAILWAY AGE

WEEK AT A GLANCE

Oct. 30, 1961 • Vol. 151, No. 18

Four roads handle big Army movement

The smoothly-executed move of Wisconsin's 32nd Infantry to the West Coast again demonstrated the irreplaceable role of railroads in any defense effort .....p. 9

Shippers view passenger aid

A "modest majority" of respondents to this month's traffic poll gives "reluctant" approval to proposed federal subsidies for essential railroad passenger service .....p. 13

Two ideas to help railroads compete

One of today's prime challenges to the nation's economic and commercial ability is the adjustment of railroad rates and practices to meet competitive realities p.14

Railroads can successfully compete for bulk-commodity traffic if new ideas in regulation accompany today's new ideas in equipment and operation p.17

'Pre-fabs' help SP centralize New Orleans work

Supervisory, freight-handling and mechanical work formerly done in two yards and a downtown building is now concentrated in five pre-engineered Armco steel structures p.21

Trans-Europe Express moves freight fast

The new TEEM trains have the twin objectives of providing speedier and more reliable freight service and meeting the challenge of truck competition .....p. 32

New container unitizes brick shipments

American Truck Body Co. claims three big advantages for its "Pactainer" system—lower costs, less damage, and faster deliveries of big loads .....p. 45

Governors told of eastern difficulties

Sixteen states and 30 railroads were represented at an all-day New York conference called to examine the crisis confronting eastern carriers p.55

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WEEK AT A GLANCE

E-L 'may' join N&W family

An agreement disclosed last week provides for possible inclusion of Erie-Lackawanna in the enlarged N&W **p.59**

Seatrain carries 'two railroads' to Africa

Due this week in Liberia is a shipload of locomotives, cars and other items that will completely equip two construction railroads ..... **p. 62**

'Master' merger plan next step—Barriger

The P&LE president predicts that the next major consolidation move will be the development of a regional plan for the East **p.63**

The Action Page—Things worth fighting for

This country cannot prosper without the economical transportation only railroads can provide. It must, therefore, revert to the free market for all forms of transport ..... **p. 68**

Short and Significant

General Electric's second order . . .

for the 2,500-hp U25B diesel locomotive was placed last week when Frisco ordered eight units; earlier, Union Pacific had ordered four.

Class I freight-car fleet . . .

totaled 1,620,933 cars on Oct. 1, with average carrying capacity of 55.65 tons per car. A year ago the fleet numbered 1,668,033 cars with 55.42-ton average capacity.

ORT's threatened strike . . .

against SP over job stabilization demands has been delayed pending outcome of further negotiations at the request of Secretary of Labor Arthur Goldberg.

Current Statistics

Operating Revenues	
8 mos., 1961	$5,998,152,727
8 mos., 1960	6,458,334,573
Operating expenses	
8 mos., 1961	4,828,611,554
8 mos., 1960	5,116,255,934
Taxes	
8 mos., 1961	651,505,797
8 mos., 1960	702,021,711
Net railway operating income	
8 mos., 1961	256,173,579
8 mos., 1960	398,984,854
Net income estimated	
8 mos., 1961	140,000,000
8 mos., 1960	278,000,000
Carloadings revenue freight	
41 wks., 1961	22,365,631
41 wks., 1960	24,579,257
Freight cars on order	
Oct. 1, 1961	10,133
Oct. 1, 1960	21,662
Freight cars delivered	
9 mos., 1961	25,139
9 mos., 1960	43,719

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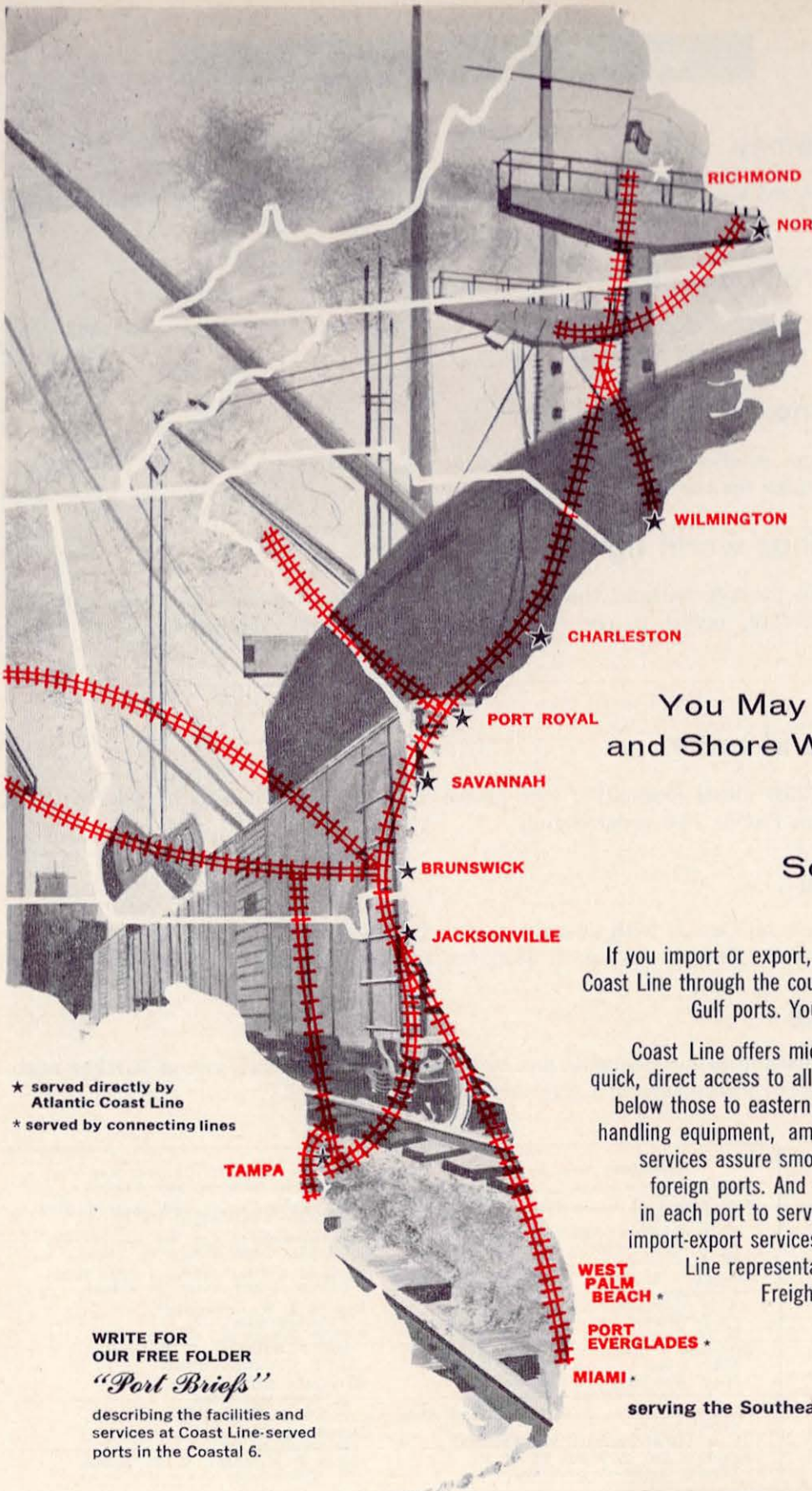

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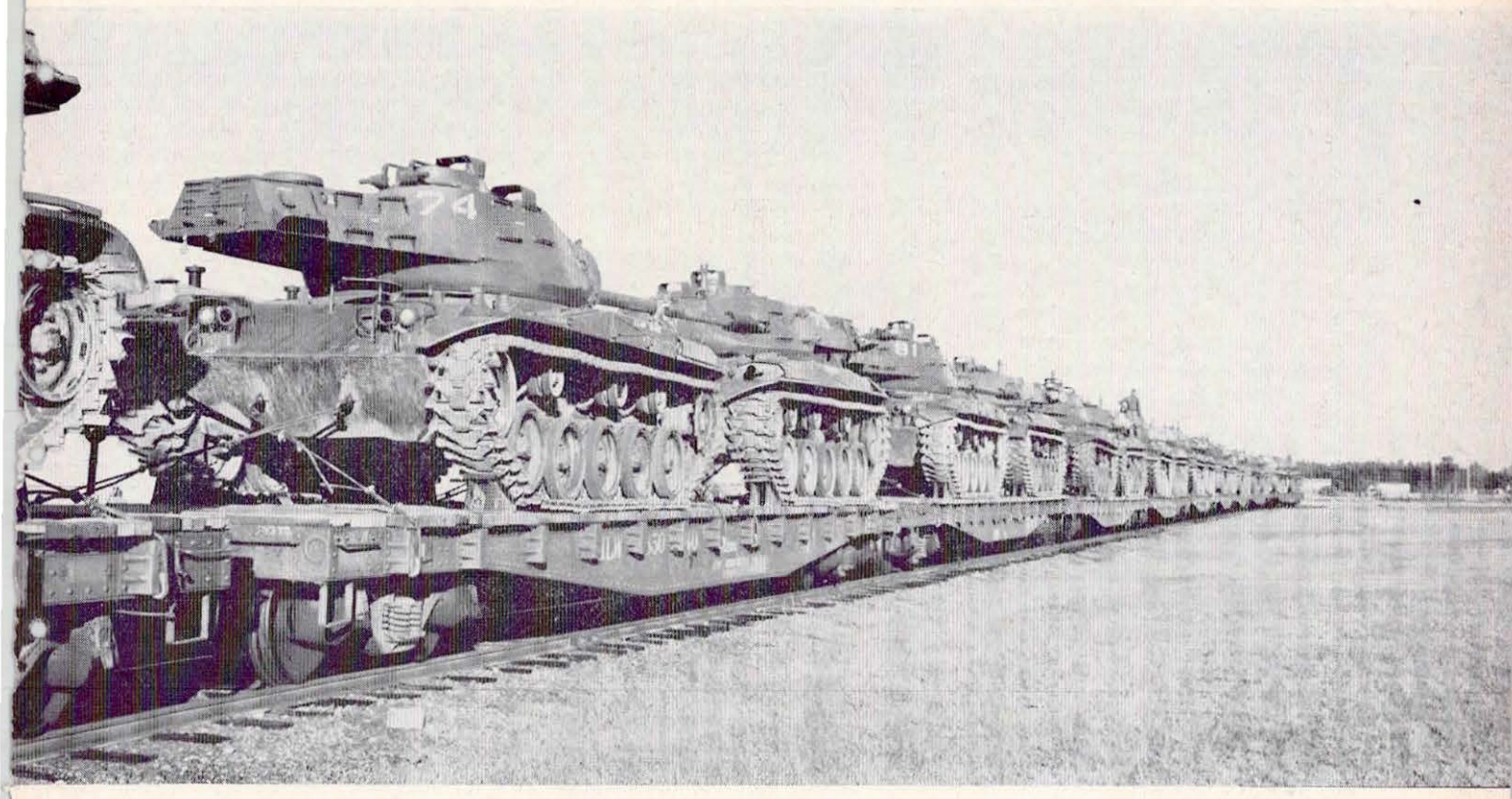


Four Roads Handle Big Army Movement

► The Story at a Glance: The largest rail movement of troops and military supplies since the Korean War was completed last week as the railroads were called upon to transport Wisconsin's federalized 32nd National Guard Division to its training site at Fort Lewis, Wash. Equipment for the move was furnished by four roads. In all, over 700 freight cars and 17 special passenger trains were needed.

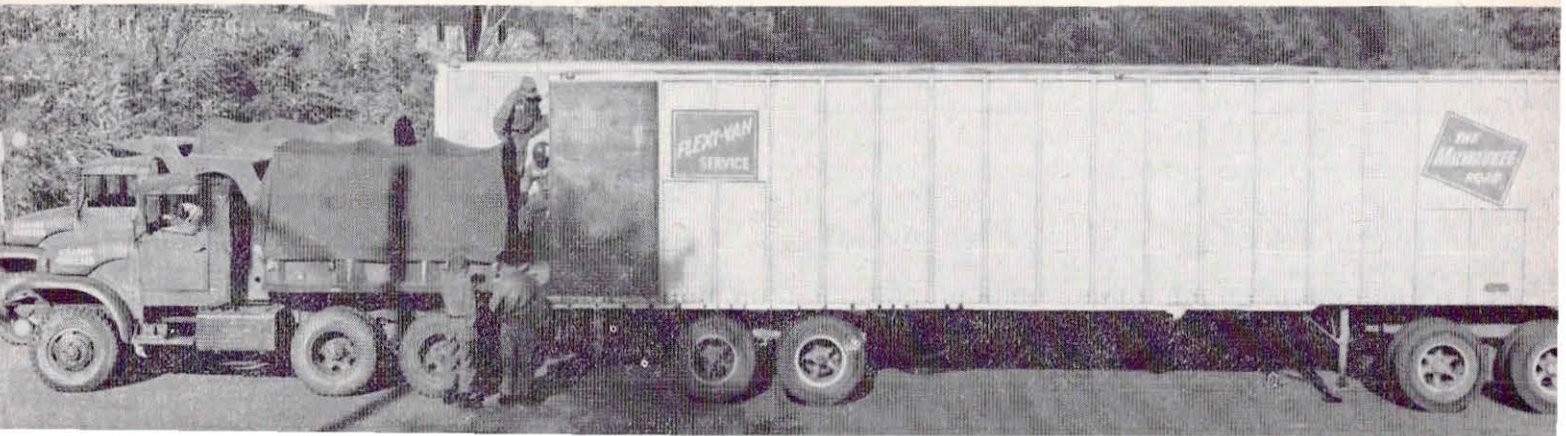
Men of Wisconsin's famed Red Arrow Division — the 32nd Infantry — learned on Sept. 19 that they would soon be called to active duty. Officers began preparing to move the 10,000-man division with all its supplies and materiel to training quarters at Fort Lewis, Wash.

Mobilization came on Oct. 15, 21 years to the day since the division was last mobilized prior to World War II. General E. L. Cummings, commanding general of the Fifth Army, read the mobilization order at division headquarters in Milwaukee. Division commander, Gen. Herbert L. Smith, accepted the call to active duty, saying: "We will not be found wanting."

Also alerted in the emergency were the nation's railroads. And, as in the past, they were "not found wanting."

Over 700 freight cars and enough passenger equipment to make up 17 special troop trains were needed to make the 2,000-mile move from Wisconsin to Puget Sound. Equipment was supplied by Milwaukee, Chicago & North Western, Northern Pacific, and Soo Line.

David P. Valentine, superintendent of transportation for the Milwaukee, said the move was accomplished with-



out any disruption in regular service. Milwaukee provided over 300 flat cars, some DF cars and 22 Flexi-Vans.

As soon as travel orders were received, division equipment was trucked to one of 14 rail sites throughout the state and loaded on rail cars. Mr. Valentine said that all cars were spotted within two days of receiving the orders and the equipment was loaded in three days time. "Not one car was rejected," he said.

Piggyback and Flexi-Van were used for the first time in such a move.

Colonel Richard Ballman, chief of staff of the 32nd Division, had nothing but praise for the railroads: "Their cooperation was tremendous and they left nothing to be desired. The service was excellent and aside from one or two small instances we had no crippling delays."

The division's equipment and supplies preceded the movement of personnel with the final shipment leaving Wisconsin within one week of the mobilization date. The rail movement of personnel began Monday, Oct. 23, and was completed four days later. All men were due to report for duty on Oct. 29.

Of the 10,000 men in the division, over 6,000 went by rail, about 2,000 by commercial aircraft and the remainder by private auto. The first group left Milwaukee on Oct. 23 on a regular C&NW passenger train to Chicago where they transferred to a special Pullman train for the 50-hour trip to Fort Lewis. This was the first passenger train to run over C&NW's lines in Iowa in two years.

The only major mishap in the entire operation occurred at a lonely highway crossing two and a half miles east of Miles City, Mont. Special train number three, carrying troops from Wausau, Tomah, Mauston and Arcadia, collided with a heavily loaded gravel truck shortly after 6:30 a.m., Oct. 25. Eight cars of the 21-car train were derailed along with the four-unit diesel. Driver of the truck, owned by Peter Kiwiet Sons, was killed instantly. Four Pullman porters and the Pullman conductor were later found dead in one of the derailed cars. None of the troops aboard the train was injured seriously. Two soldiers received medical attention at the scene of the crash for minor bruises but were released. A makeup train, consisting of equipment sent out from Minneapolis, and the 13 cars that remained upright, left Miles City late the evening of the 23rd to continue the trip, arriving at Fort Lewis about 18 hours behind schedule.

Wisconsin's Red Arrow Division will serve on active duty at Fort Lewis for 12 months. It is the first National Guard unit mobilized in the current buildup of military forces, which to date has affected about 73,000 reservists and guardsmen. Guard units in Massachusetts, Texas and Pennsylvania have also been alerted for possible call up. Observers from some of these units were in Wisconsin to study the procedures in the 32nd's move.

WATCHING WASHINGTON WITH WALTER TAFT

• **PRESIDENT KENNEDY** this week will get the Department of Commerce's views as to what should be included in the transport message which the President plans to send Congress next year. Mr. Kennedy asked Secretary of Commerce Hodges to submit his recommendations by Nov. 1, and Mr. Hodges indicated last week that he would meet that deadline.

THE SECRETARY said he was then devoting about one-third of his time to the job of getting the transport report shaped up for submission to the President. He couldn't say whether or not the report will be released, that being a decision for the White House.

SOMETHING LIKE A PREVIEW of the report, however, may have been given in a recent address by the under secretary of commerce for transportation—Clarence D. Martin, Jr. Speaking at the annual meeting of the Inland Empire Waterways Association in Spokane, Mr. Martin referred to his department's work on the report, adding that President Kennedy's message "will establish an orderly and progressive structure for transportation development in the years ahead."

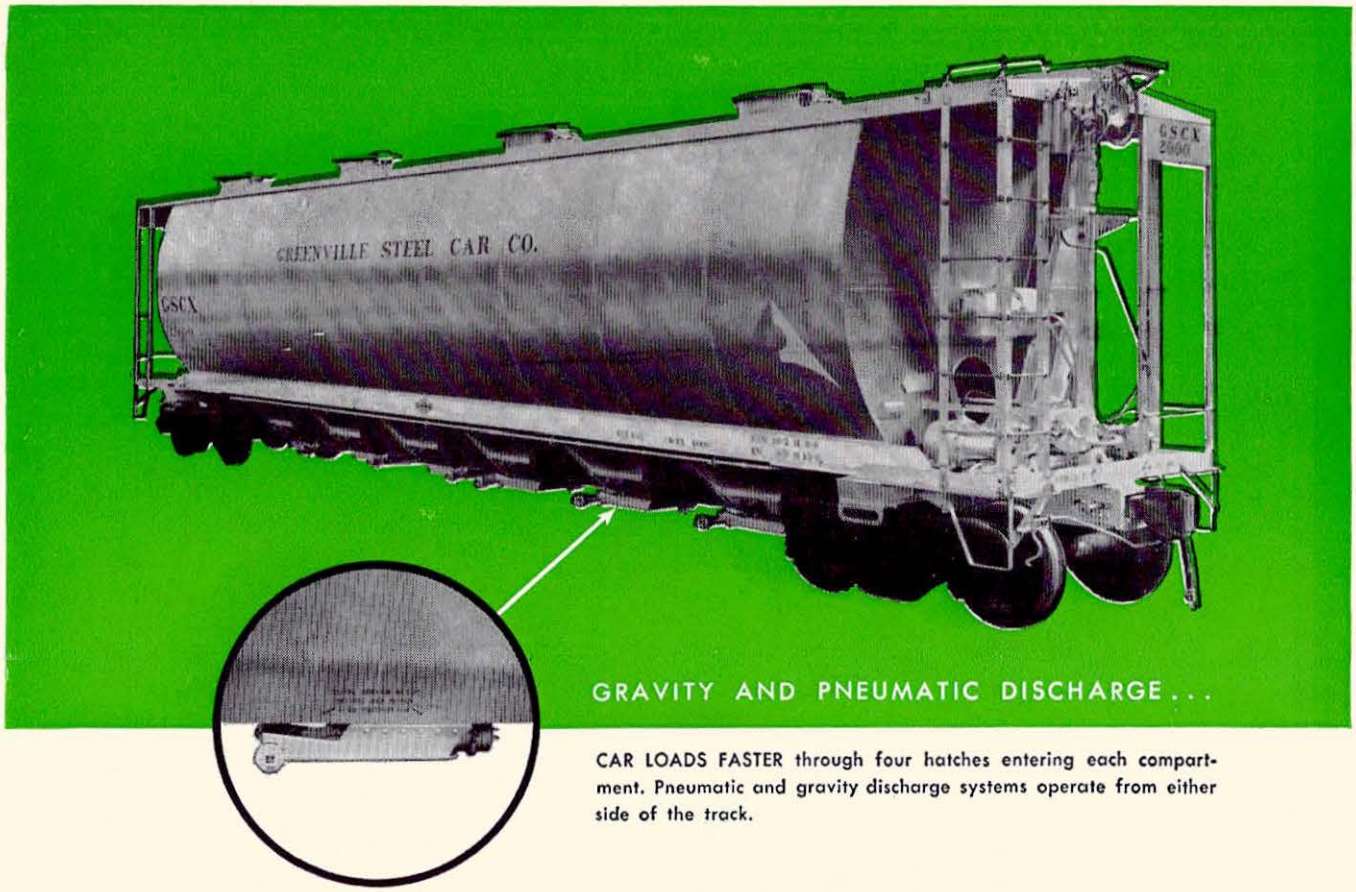
MORE SPECIFICALLY, Mr. Martin said action must be taken to improve the position of the common carrier industry. First proposal on his list was a call for "realistic depreciation and tax policies" for all carriers, including condemnation of unjust discrimination in state and local taxes as an unlawful burden on interstate commerce.

OTHER PROPOSALS on the under secretary's program included calls for adequate user charges on publicly-provided transport facilities; repeal of those provisions of the Interstate Commerce Act's Section 22 which authorize carriers to provide transport services for governments free or at reduced rates; and stricter definitions of private carriage and other transportation exempt from regulation.

CONVENIENCE AND NECESSITY approach to government spending for transport facilities is also favored by Mr. Martin as another way to halt the undermining of common carriers. The government, he said, "must plan as wisely as possible the public investment it makes in transportation facilities," having in mind "the effects of these investments on our total transportation system."

MEANWHILE, rate policy had been listed by Mr. Martin as another area in which action should be taken. That policy, he said, should be reexamined in an undertaking to develop "new standards that will put an end to damaging rate cutting."

LATER ON the under secretary indicated that this position on rate policy is a personal one which does not necessarily reflect the thinking of the Department of Commerce. There he gave it as "my view" that the Interstate Commerce Act's rule of rate-making "should be revised to prevent other common carriers from gaining an undue competitive advantage at the expense of water carriers."



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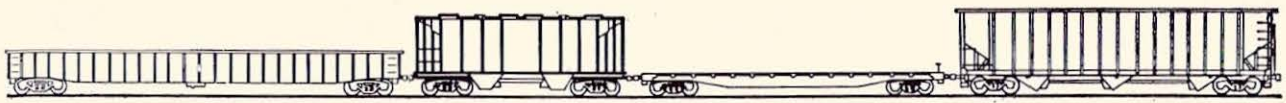

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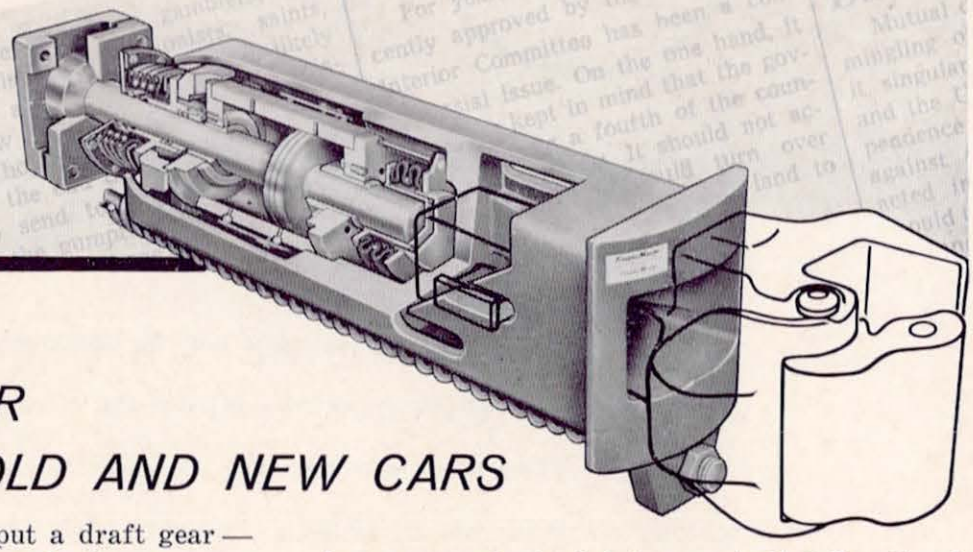

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Shippers View Passenger Aid

Proposition

The Interstate Commerce Commission recently proposed payment of federal subsidies where necessary to preserve "essential" railroad passenger services.

Questions

1) Do you, in general, approve or disapprove of the ICC proposal for federal subsidies for railroad passenger service?

Approve	**35**
Disapprove	**24**

2) If you disapprove, what alternative(s) would you suggest to preserve "essential" rail passenger service on something close to a paying basis? (See accompanying text for answers.)

By a modest majority—and in some cases with strong reservations—industrial traffic managers answering this month's Poll give reluctant approval to the ICC's proposal for federal subsidies for essential railroad passenger services.

Of definite interest, and possible significance, is the fact that 80% of all approvals come from Eastern territory, where rail passenger business is in the most serious straits. Two-thirds of all disapprovals, on the other hand, originate in the South and West, where the situation is far less serious.

Most of the men who do give reserved approval to the ICC's subsidy proposal base their reaction on one of three grounds: (1) They "see no other way out"; (2) they think passenger subsidies would lead to better freight service; or (3) they consider rail subsidies justified to offset subsidies given to other passenger carriers. Some of them would limit subsidies to commuter services, or to other specific purposes, e.g., purchase of new equipment. Others would require participation of local governmental units as well as of the federal government. Several suggest remission of taxes instead of outright payments.

Disapproval of the ICC proposal is based largely on the feeling that subsidies are inherently wrong; that their payment would open the way to further government interference in railroad affairs, and perhaps to outright nationalization; and that the problem can be better attacked through lower taxes, higher fares, or better service.

The first of these opposing viewpoints is highlighted in the comment of V. A. Bordelon, manager of the Transportation department of the Los Angeles Chamber of Commerce, who writes that "subsidy of any form is merely a pain reliever—not a cure." "Passenger service deficit," he adds, "is chronic in various metropolitan areas. . . . The cause of the illness must first be isolated in each individual area and then specific individual remedies determined."

P. J. Berst, traffic manager of the Continental Rubber Works, Erie, Pa., agrees with Mr. Bordelon as to the general undesirability of subsidies. "All subsidies," he writes, "should be stopped, and all types of transportation made to stand on their own feet." W. L. Haywood, Jr., TM, General Latex & Chemical Corp., Cambridge, Mass., agrees also: "Subsidies would only be a crutch, and in the long run would not solve the problem. The rails have got to come up with their own solution."

What R. R. Rabon, traffic manager of Campbell Taggart Associated Bakeries, of Dallas, terms "the threat of government control," is mentioned also by a number of other respondents as a major argument against passenger subsidies. E. M. Burk, traffic manager of Houston's Wyatt Industries, feels that "such subsidies would be the definite foot in the door leading to government operation."

"Subsidies would be the first phase leading to government operation," says H. N. Johnson, GTM, Ralston Purina Co., St. Louis. "They would certainly get us started on the road towards government control," agrees R. H. Heilman, director of transportation, A. O. Smith Corp., Milwaukee. W. J. Edmonds, general traffic manager, Granite City Steel Co., Granite City, Ill., terms them "the first step to nationalization of railroads." W. G. Koplin, traffic manager, Salt Lake Hardware Co., Salt Lake City, calls them "another step to government control and eventual ownership."

Most of the men just quoted do, however, recognize the seriousness of the problem facing some railroads, especially on maintenance of commuter services in metropolitan areas. Mr. Rabon, for example, suggests that "where a community is dependent on railroads for daily transportation," the joint interest of community, state, federal government and railroad "could best be served through joint effort in the form of reduced taxes or a moratorium on taxes." Mr. Johnson suggests "tax relief and a more friendly climate in which to operate." Mr. Heilman believes that "some of the other solutions which have been advanced, such as tax relief, accelerated depreciation of equipment, and repeal of the transportation tax would be more effective" where carriers "are deserving of assistance" because of having to "absorb heavy operating losses while being forced to provide service."

There are a number of suggestions, too numerous to quote in detail, for higher fares and better service, and several proposals for a more realistic tax structure. One man, who asks not to be quoted by name, thinks some way might be found for government to provide rights-of-way for railroads, "as is now done for air and truck carriers."

R. J. Tyler, general traffic manager, Tube Turns division of Chemetron Corp., Louisville, Ky., thinks "railroads should aggressively seek a reduction in ad valorem taxes in those states which levy a higher assessment on carrier property than on other property." With unassailable logic, he points out that, "to subsidize passenger service in states that exact unreasonable taxes is contrary to the public interest. If passenger service is to be subsidized by the federal government, local or state governments should not take the subsidy away through penalty rates."

To wind up the "opposition" case is the statement of H. D. Pollen, traffic manager, P. Ballantine & Sons, Newark, N. J., that railroads themselves probably don't want subsidies anyway. "Subsidies," Mr. Pollen writes, "can only bring about government ownership . . . I think railroaders, like any other proud businessman, want to be able to run their business on a profit-making basis without government help. Perhaps loans might be of some assistance, but certainly not subsidies. . . . Even though [railroads] complain about subsidies [to other carriers] I doubt very much that it is their intent that they be subsidized. I think they would rather have the federal government work out some tax situation on property taxes which would be equal to a subsidy. . . . That would be equalizing things rather than segregating, and, in the end, running one form of transportation. . . . Taxes on railroads, both state and federal, have been too high for many years.

(Continued on page 38)

Why RR Freight Service Is Most

The accompanying charts portray the marked economic superiority of railroad over highway transportation for all but the shortest distances. The obvious inference from this showing is that the continuing diversion of railroad freight traffic to highway movement must lead inevitably to constantly mounting transportation costs to the shipping public—with a resulting deterioration of living standards of the consuming public.

Indeed, it is plain from the figures reflected in these charts that overall transportation costs have already risen greatly, as the railroad proportion of the nation's total freight movement has declined from the post-war 66% of total freight ton-miles to today's 44%. The result is that the current standard of living of Americans is already lower than it should or need be.

The costs shown in these charts are (with the exception of Chart B) the so-called "out-of-pocket" costs reported by Interstate Commerce Commission cost finders, brought up-to-date to the end of 1960. Such costs, theoretically, are only those direct costs which are incurred if a particular piece of business is moved, and which are avoided if that movement does not take place. As the ICC cost finders operate, however, their so-called "out-of-pocket" costs are more generous, and include a 4% return on the value of equipment and 2% on the value of fixed property.

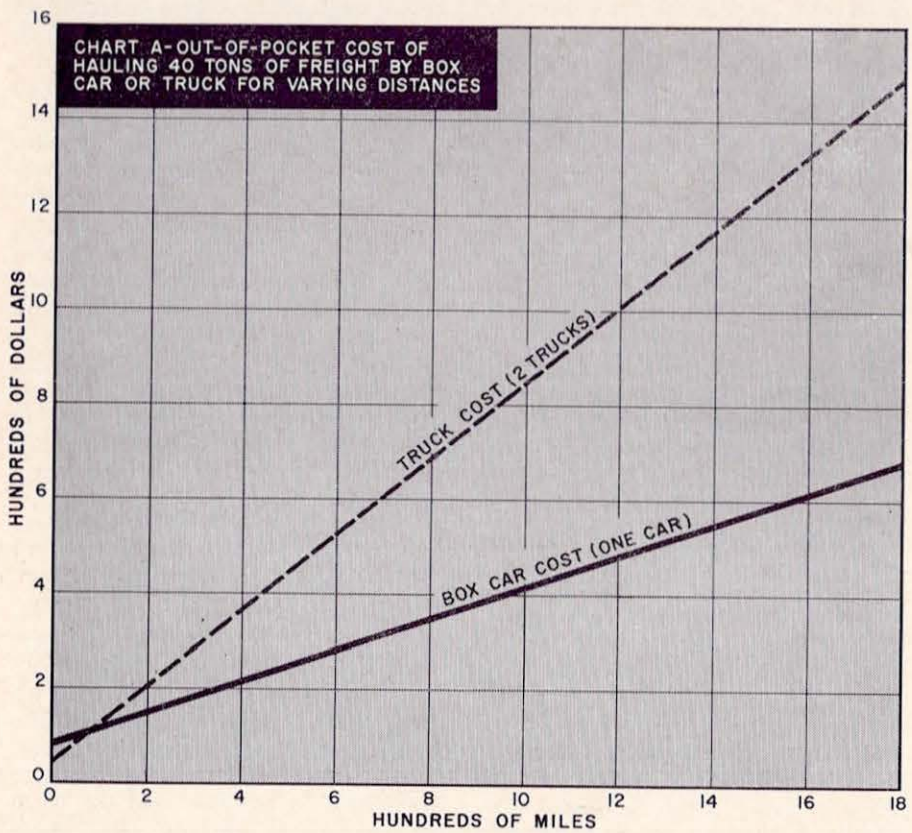
Any rate the railroads charge, therefore, which fully meets these ICC costs (assuming that, as averages, they actually apply to a specific movement under examination) will not fail to leave a railroad better off with the particular piece of business than it would be without it.

Out-of-pocket costs, if accurately computed by individual railroads for specific movements of freight, are the logical and economic "floor" for any rate. Any rate below such costs will lose money for the railroad, and cannot be justified. Any rate above this "floor," if it has to be that low to attract the traffic, will make at least some "contribution" toward defraying constant costs. Rates at this "floor," therefore, are justifiable and economic.

No business, however, can exist for very long, if it earns only its direct or out-of-pocket costs. Such costs are, economically, only the gage which locates the floor under rates. These costs do not specify where the rate "ceiling" ought to be. The ceiling is located, economically, at the cost to the shipper of using alternate forms of transportation which may be available to him.

Take Chart A. It will be seen that railroad cost is higher than truck cost for this particular movement up to about 80 miles. If railroads were to reduce their rates to the level shown by the truck cost line up to 80 miles, they would be incurring a burden which they would have to seek to shift to shippers paying remunerative rates. The only just and economic course for railroads to take in this situation is to "price themselves out of the market"—i.e., to keep their rates not lower than their own costs, up to 80 miles; and let the trucks take this short-haul business.

There is a legitimate economic area for truck transportation. This area is, primarily, the area of shorter hauls. However, truck transportation can and often does extend the area of its economic superiority by quicker service, door-to-door, by lower loading and packing costs. These costs do not appear in freight tariffs, but are real costs of transportation nevertheless. Note Chart A again. At 200 miles the cost of railroad transportation is approximately $175 and that of truck transportation about $200. Actually, however, the two forms of transportation may be substantially on a basis of competitive equality—if railroad movement is rated at $175 and truck movement at $200, *assuming the shipper saves himself $25 in handling costs or other conveniences if he chooses highway transportation.*



THE LINE-HAUL COST of moving a well-loaded freight car is only a small fraction of the cost of moving the same load in two or more trucks. The truck, however, has the advantage of a lower terminal cost—but the economy of railroad line-haul overcomes this initial disadvantage when relatively few miles have been run. In the above example, railroad cost is lower than truck cost for all distances over a little less than 100 miles. The railroad costs shown here are those of the ICC's Cost-Finding Section for the Eastern District (those in the West and South being lower). The truck costs, also, are ICC averages.

Economical

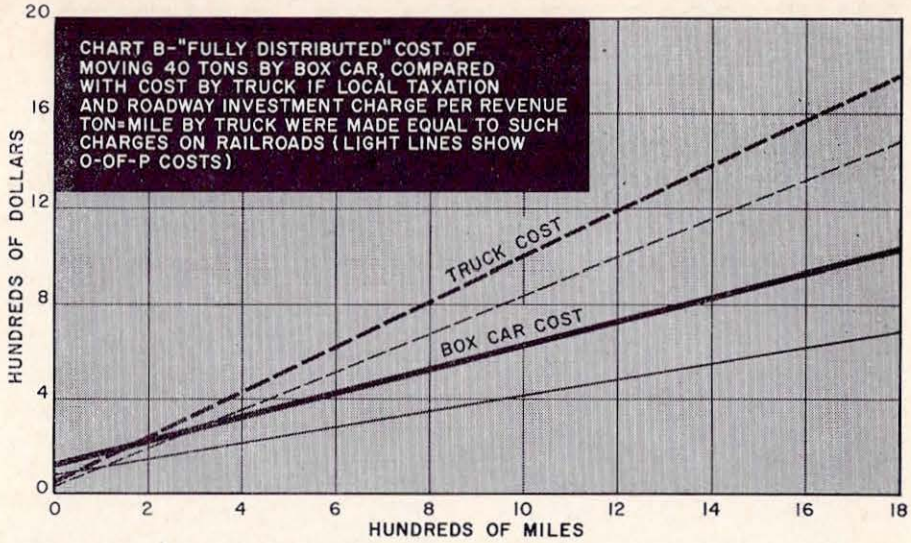
These charts indicate plainly that, if there is going to be economic division of traffic between rail and highway in the area where their costs are rather close together, then the rates of both will have to approach the out-of-pocket cost level in this short-haul zone. Some may object, contending that the regulators should set rates at a higher level than this for both agencies. This practice is impossible, as far as its practical effect is concerned, as long as private and unregulated truck transportation exists. If either railroad rates or for-hire truck rates are held to a level substantially higher than truck operating costs, then the private and unregulated carriers will sooner or later capture the traffic.

The "inherent advantages" of truck transportation are three in number: (1) lower terminal costs, hence lower total costs for shorter hauls; (2) lower loading and packing costs (usually); (3) more frequent service, door-to-door.

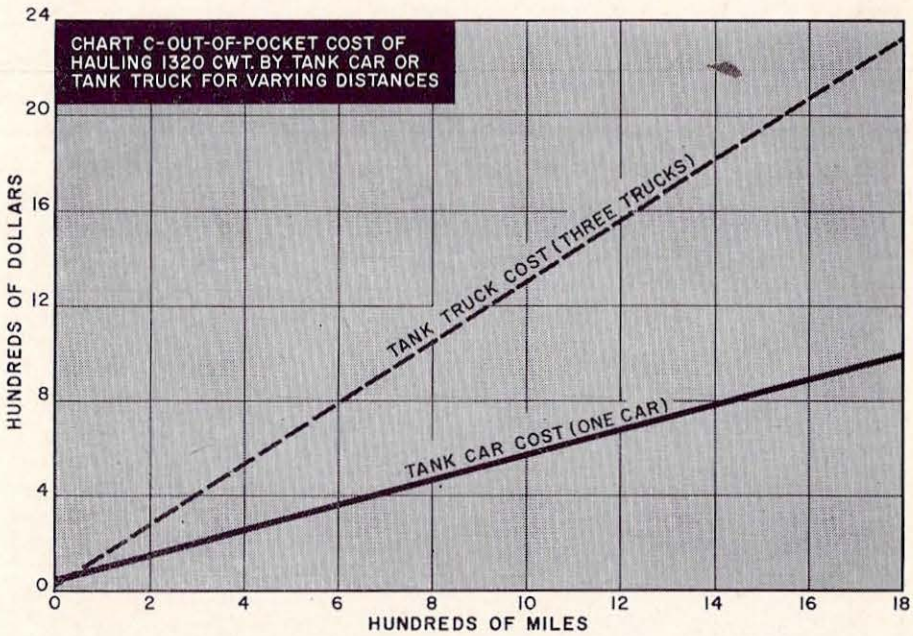
The regulators make no attempt (nor should they) to curtail or limit these inherent advantages of truck transportation.

Railroad freight service, as a rule, has only one inherent advantage—but it is an advantage of crucial importance to the future economic well-being of American citizens. That advantage is *extremely low line-haul costs*. When hauls get to be 200, or 300, or more miles—this advantage of the railroads becomes so great as to completely counteract (for most traffic) the superior speed and frequency and other advantages of truck transportation. The only hitch is that the regulators, who scrupulously refrain from limiting the full exercise by truck transportation of its inherent advantages, have often taken quite a different tack with the railroads, and have held their rates much higher than railroads would like to have them.

Note that Chart A again. At 300 miles, railroad transportation cost is approximately $180, compared with $280 by truck. Assuming the "railroad disability" is still $25 (the same as it was at 200 miles), the railroad charge could be $255—or a margin of $75 above railroad out-of-pocket costs—and still be effectively competitive. As distances increase, the railroad competitive advantage would become greater and greater.



SOME RAILROAD COMPETITORS insist that railroad minimum rates should be set at so-called "fully distributed costs"—which are theoretical and have nothing to do with the actual expense of moving freight. For example, "fully distributed costs" include a share of the deficit incurred in hauling passengers—which certainly is not a freight movement cost. This chart shows "fully distributed" box car costs, compared with actual out-of-pocket costs. It also shows what truck costs would be, by comparison, if taxpayers' contributions to truck costs were added to those paid by truckers.

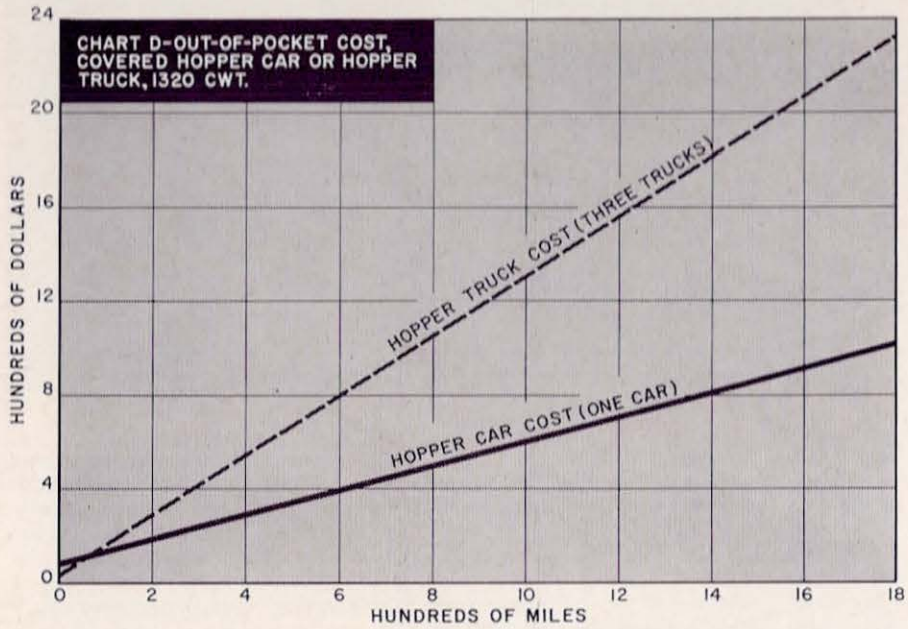


A MODERN TANK CAR, hauling 66 tons or 19,000 gallons, carries the load of three good-sized tank trucks. As the chart shows, haul by railroad is more economical than by highway except for very short distances. There are, of course, incidental costs to the shipper who uses railroad service, which may not be incurred in highway movement, and the shipper must add these incidental costs to the railroad rate to determine which form of transportation will entail the lowest total costs to him. To be successfully competitive, railroad rates must usually be markedly lower than truck rates.

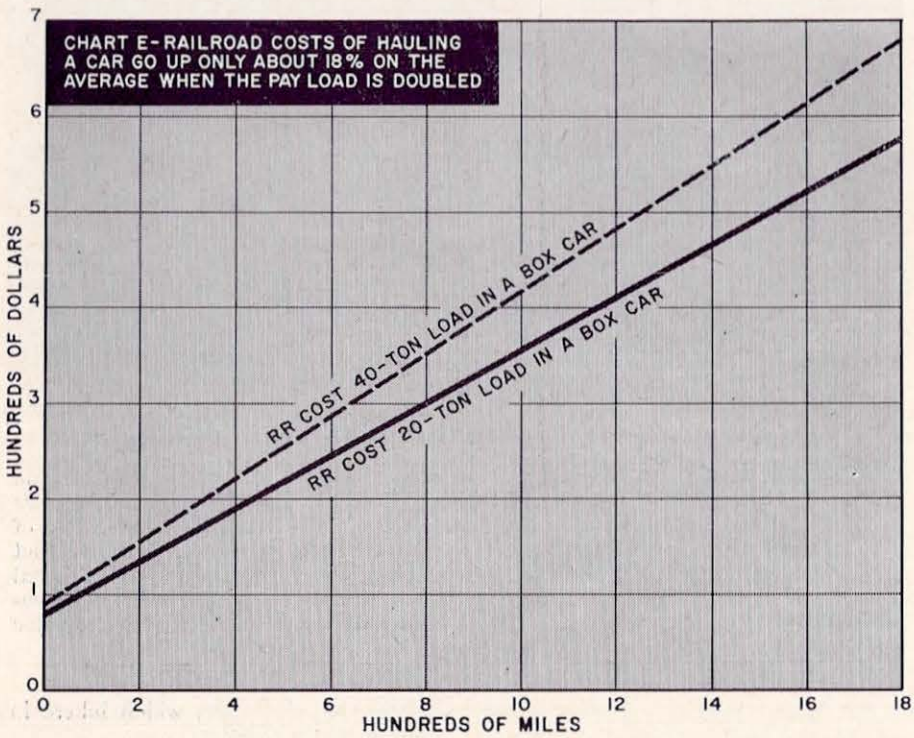
But such inherent economic advantage of the railroads will benefit shippers and the consuming public and the railroads themselves, only in so far as the regulatory authorities will permit railroads to exercise their unique and important inherent advantage, to the same degree that they permit truck operators to give full competitive effect to the service advantages which inhere in movement by truck.

How high should the "ceiling" on railroad rates be? Obviously, railroad charges cannot all be held to the level of out-of-pocket costs, because there are constant expenses to be met, and total railroad revenues must be sufficient to meet total expenses, if rail-

TWO IDEAS TO HELP RRs COMPETE



THE ECONOMY of a modern covered hopper car is compared in this chart with that of three large hopper trucks, in the movement of bulk commodities. The superior economy of movement by rail follows much the same pattern as that of the large tank car. Here again, however, incidental costs connected with movement by rail are an important factor in determining total costs of transportation to the shipper. Regulatory orders which seek to equalize railroad rates with those of trucks, in effect, deny to the shipper the "inherent advantage" of railroad service, which is extremely low line-haul costs.



THE GREAT ECONOMIES in transportation costs that are attainable when cars are loaded to approximately their full cubic or weight capacity have been rightly called the railroads' "secret weapon" in competition. This chart portrays the difference, according to the ICC cost finders, in the out-of-pocket cost of hauling either 20 tons or 40 tons in the same car. In this particular instance, increasing the load by 100% results in an increase of only about 18% in cost to the railroad. In such a situation the railroad can afford to share some of the saving with the shipper, as an "incentive."

roads are to continue in business.

Railroads are forced, of necessity, therefore, to recoup most of their constant costs from the traffic which moves for distances beyond the limit of economic truck haul—but, even here, there is a practical limit to the profit margin that can be demanded, because long-haul shippers are in competition with short-haul shippers. And it is certainly not to the railroads' advantage to allow these long-haul shippers to be dangerously disadvantaged by the competition of short-haul shippers who (because of competitive conditions) cannot be charged much more than out-of-pocket cost of the service. In the area of the longer hauls, therefore, the old "value of service" doctrine in the making of freight rates still applies as much as it ever did; and calls for the same kind of give-and-take negotiation between experienced rate men, on both the shipper and carrier sides, that used to dominate all rate-making. But the horse-trading technique won't work any more in the zone where railroad and truck costs are close to each other—if for no other reason than the fact that the ICC won't let regulated carriers horse-trade down below their direct costs, and if carriers horse-trade above these costs, private and unregulated trucks will get the business.

Is there any injustice to longer-haul shippers, if railroads make rates on an out-of-pocket basis on shorter hauls and include a profit margin in their longer-haul rates? Plainly not, because these low rates, where competitively necessary to get the business, do make *some* contribution to constant expenses. If railroads did not go out after this low-profit-margin traffic, then all of the constant costs would have to be borne by the long-haul shippers. And the longer-haul shippers would continue to have their competitive disadvantage, with shorter haul traffic moving by truck, rather than by rail.

The continuing superior economy of railroad service for the great bulk of the nation's freight business is made fully evident in the accompanying charts. The adjustment of rates and practices to meet present-day competitive realities, and halt the drift of traffic from less costly methods of movement to those that are more expensive, is a challenge to the economic and commercial ability—not only of railroads, but of the entire shipping fraternity; and of regulators as well. It is not just the selfish interest of these parties that is at stake, either, but the future cost of freight transportation, as reflected in the selling price of all commodities to all consumers.

Freight transportation costs are an important component in the total cost of all commodities. Hence, holding total transportation costs to the minimum practicable level (i.e., consonant with the financial health of the carriers) makes an important contribution to the standard of living of the consuming public. A rate system which will induce traffic to flow in economic channels is in the public interest. Some initial steps have been taken in the direction of the necessary rechanneling. It is time for greater strides.

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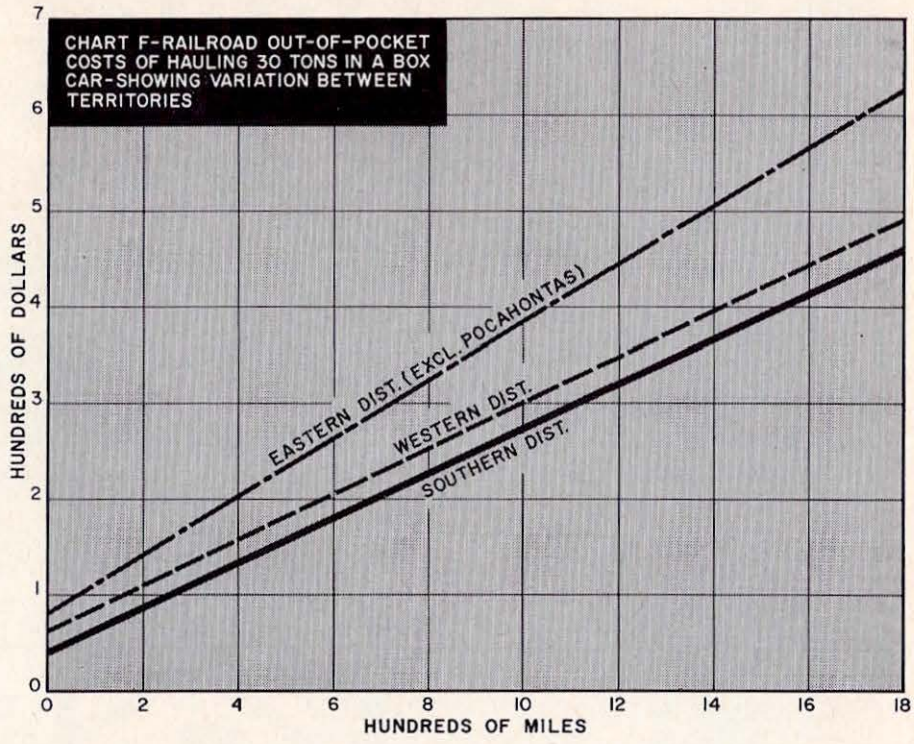
The foregoing discussion has concerned itself entirely with conventional railroad service in the handling of the entire range of commodities in standard equipment. The movement of bulk commodities, in the light of competition by subsidized barge lines and by potential pipeline movement is examined in an article beginning just below. Developments in the piggyback area are coming along so rapidly and are reported so frequently in these pages (i.e., RA, Oct. 23, p. 8) that no special summary is necessary here. Suffice it to say, about the economy of piggyback service, that it is designed to improve either the cost or service position of railroad transportation. That it is doing so is amply evidenced by the spectacular growth of this service.



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Railroads Can Compete On Bulk Commodities, Too

► **The Story at a Glance: Can railroads compete against water carriers and pipe lines in transportation of bulk commodities?**

So far as water competition is concerned, all the dice are loaded against the rails. Even so, the answer to the question is "Yes—if!" "If" legislative and regulatory philosophies can be changed in some few respects, and "if" railroads themselves can put into effect new concepts of equipment and operations which are already under study or in partial use, the answer may become "Yes—period."

In 1959, water carriers operating on the Mississippi River and its network of government-"improved" tributaries carried 184 million tons of domestic freight a total of 59,565 million ton-miles. This was an increase of 60% above the 115 million tons, and of nearly 97% above the 30,282 million ton-miles, carried on the same waterways in 1950.

In contrast, all railroads everywhere in the United States carried 11% fewer revenue tons, and 2.2% less ton-miles, in 1950 than in 1959.

Stated differently, the proportion of water tonnage on the Mississippi system alone, in relation to *all* rail tonnage, was nearly twice as high in 1959 as in 1950—8% compared with 4.5%. Mississippi River ton-miles, in relation to all rail ton-miles, were more than twice as high in 1959 than in 1950—10.3% against 5.1%.

Most of the river traffic consisted of bulk commodities, e.g., coal, moved for relatively long distances—the very type of business railroads can best handle economically and efficiently.

The reason for the relative gain in water traffic compared with rail is not hard to find. It lies solely in what the Army Engineers, in a 1960 report to the Senate's Select Committee on National Water Resources, termed "a *partnership* effort by waterways operators and the federal government." What the Engineers' report doesn't point out is that the "partnership" is one in which the public lifts the tab while the water operators (and their customers) eat the lunch!

Back of the government's generous participation in this one-sided "partnership" lies the century-old "water on the brain" attitude of the Army Engineers themselves, of Congress, of other governmental agencies, of local governments—and of all too many shippers. Cooperatively, they have:

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(*Continued on page 20*)

RRs CAN COMPETE FOR BULK COMMODITIES, TOO *(Continued from page 17)*

provement, operation and maintenance of the Mississippi and other strictly "inland" waterways (not counting expenditures on Great Lake and coastal navigation). (The same Army Engineer report referred to above recommends spending another $5.877 million to "further improve" the Mississippi system alone between now and about 1980.)

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- Prevented railroads, alone of all U.S. industries, from using or operating on (up to now) the waterways for which railroad taxes have at least partly paid, while requiring railroads to participate in joint rail-barge rates.

Partially to offset these artificial disadvantages, the rails have two points in their favor:

- They are (or can be), under almost any circumstances, far faster than water carriers.
- They are at least equally dependable—probably far more so on a year-round basis, especially in the northern half of the United States.

Even so, most of the cards in the competitive game are still heavily stacked against railroads. Can they, under such circumstances, hope to compete with water carriers in carriage of such bulk commodities as coal, ore, grains, oils, sand, sulphur, chemicals?

The answer is "Yes—if!"—

"If" the regulatory picture can be at least partly equalized by removal of the bulk commodity exemption, or its extension to railroads.

"If" Uncle Sam will give his other taxpayers a break by asking water carriers to pay something toward the cost of the publicly-provided facilities they use.

"If" railroads can successfully develop new concepts of equipment and operations which are now under serious study, or in partial use.

The first "if"—equalization of the bulk commodity exemption—may be close to realization. It has been recommended times without number, by the ICC, in Congress, and by the numerous groups which have studied transportation so intensively ever since the end of World War II. At least one observer of the Washington scene has flatly stated that action will be taken next year. Such action, if it comes, may go either way—and either will satisfy the railroads.

"In the past," Gregory S. Prince, vice president and general counsel of the AAR, said last year, "the railroad industry has stood for repeal of these laws of exemption. Today it stands for equality—either by repeal or by extension of them to the railroads. We will take either one, repeal or extension. But, in the name of simple fair play and all that is just, give us one or the other."

Action on the second "if"—assessment of user charges on inland waterways—is probably somewhat farther in the future. But the principle of such charges has been accepted by highway and air carriers; by such influential shipper groups as the National Industrial Traffic League; by, in fact, nearly everyone with any interest in the subject except the waterway operators themselves. Their publicity campaign against charges is admittedly skillful; their political influence apparently great. But, it is hard to see how a government which taxes everything else can (or will) long overlook this source of still-untapped revenue.

Resolution of the third "if"—development of new types of equipment and new methods of operation—lies in railroad hands.

(Continued on page 54)

NEW COMPETITIVE WEAPON?

The proposed "integral train," referred to on page 54 as a possible new railroad weapon in the battle for bulk traffic, would be specifically designed to meet conditions surrounding each application. A possible typical train, however, is tentatively visualized as carrying a minimum payload of 25,000 tons, at a sustained speed of from 50 to 55 mph.

Cars, as now conceived, would probably be four-axle units, with a maximum loaded weight of about 250,000 lb each. For public utility coal service, they would probably have longitudinal, powered, interlocked bottom gates carried as low as standard clearances allow, and slope sheets angled at around 55 or 60 deg to permit fast unloading.

With anticipated utilization of from 150,000 to 200,000 miles per year, savings in tare weight would become far more important than at present average car-use levels of 40 to 45 miles per day. Consequently, designs would stress use of light metals, alloys and constructional methods chosen to minimize non-productive weight.

Cars would probably be permanently coupled in blocks of from four to seven by solid or swivel drawbars, but without couplers within blocks. While this would require setting out a complete block for maintenance, it would cut down on number of draft gear, couplers, control connectors, etc.

For proper handling of a train of 250 or more cars, motive power would have to be distributed throughout its full length. One possible arrangement would use four groups of two 2,500-hp units each, spaced at intervals of about 60 cars, with all units controlled from either end through electric cables running the length of the train. Fuel, water, sand, lubricating oil, etc., would be carried and handled so as to permit 2,000 to 3,000 miles of operation between service stops.

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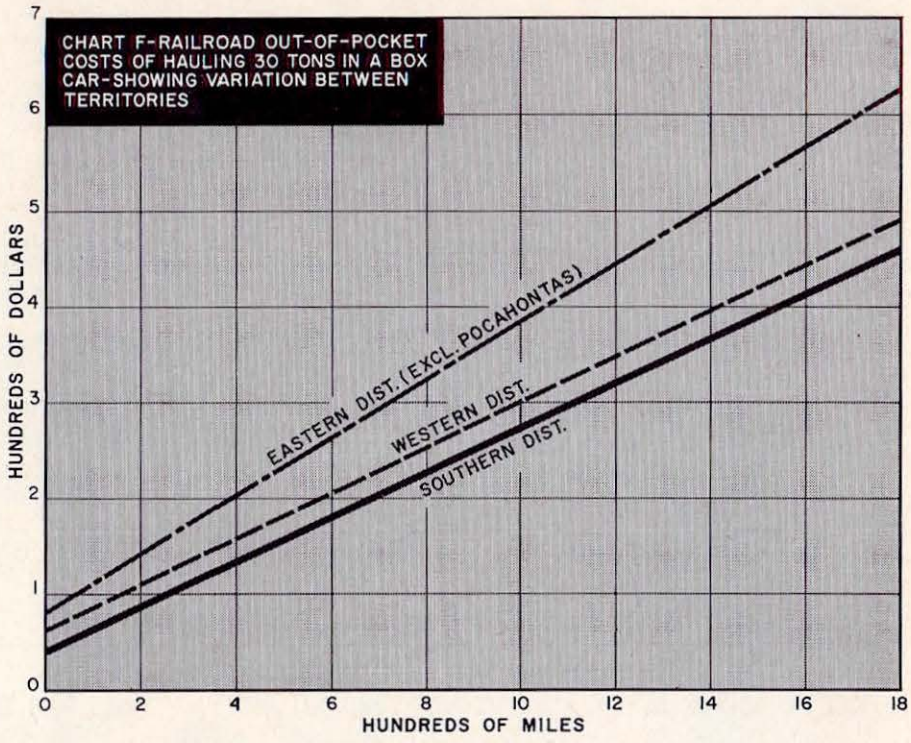

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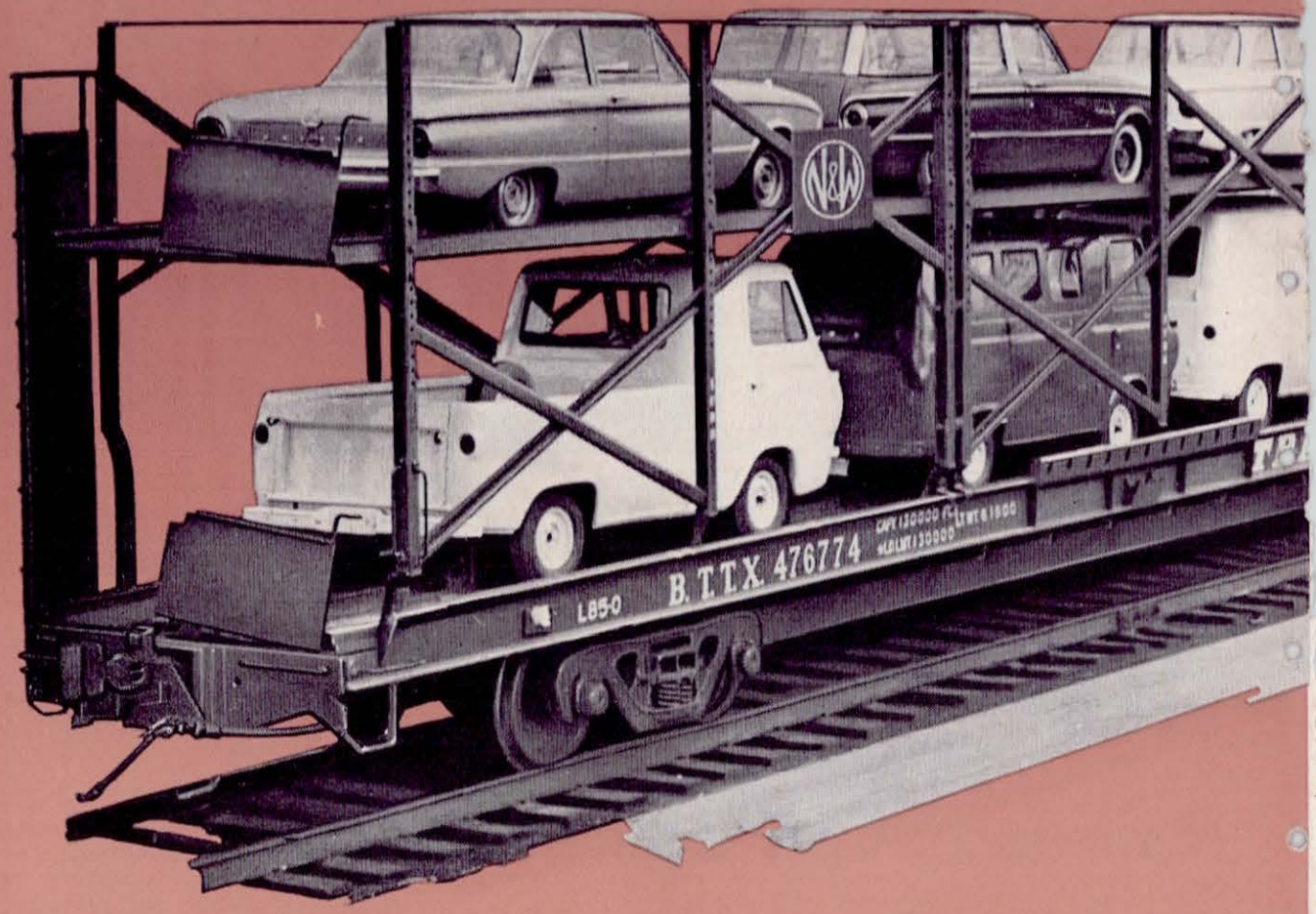


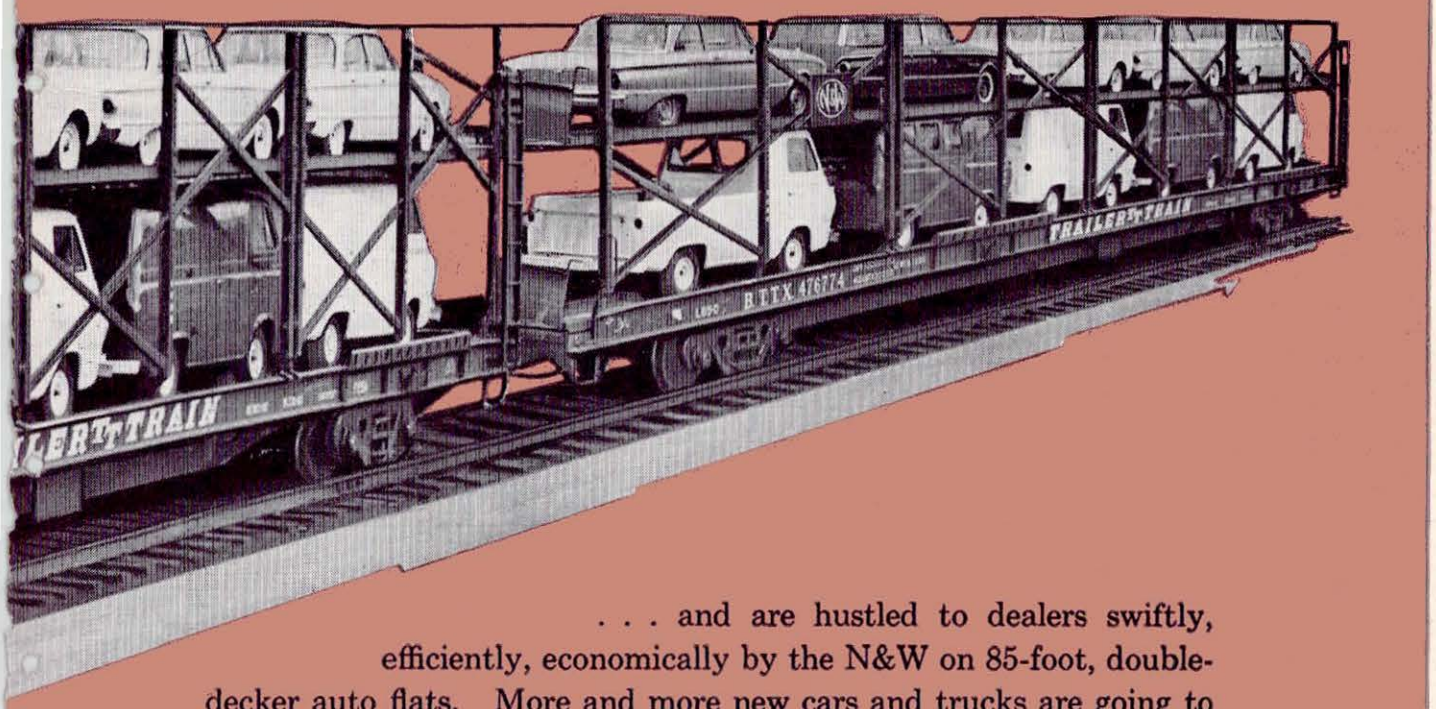
NATION'S GOING-EST RAILROAD

N&W

NORFOLK and WESTERN RAILWAY

GENERAL OFFICES • ROANOKE, VIRGINIA

WELL STACKED . . .



. . . and are hustled to dealers swiftly, efficiently, economically by the N&W on 85-foot, double-decker auto flats. More and more new cars and trucks are going to market this modern, time-saving, money-saving way.

Bi-level rack cars are just one of 25 types of *specialized* equipment designed to meet specific needs of our shippers — such as pulpwood cars, container cars, covered hoppers, air-slide covered hopper cars for bulk flour, steel-lined pitch cars, covered gondolas, bulkhead flats, piggyback cars, hatch roof boxcars, DF equipped boxcars, including some modified to keep cookies from melting during extremely hot weather, boxcars equipped with racks to facilitate the handling of rayon tire cord yarn, Hydroframe-60 boxcars, and so on.

The point is just this. Whatever you ship, you may find that N&W special equipment can meet your needs and slim down your transportation time and costs. Talk it over with your N&W freight traffic man. He knows his business, and is eager to help you solve your shipping problems.

RRs CAN COMPETE FOR BULK COMMODITIES, TOO *(Continued from page 17)*

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The answer is "Yes—if!"—

"If" the regulatory picture can be at least partly equalized by removal of the bulk commodity exemption, or its extension to railroads.

"If" Uncle Sam will give his other taxpayers a break by asking water carriers to pay something toward the cost of the publicly-provided facilities they use.

"If" railroads can successfully develop new concepts of equipment and operations which are now under serious study, or in partial use.

The first "if"—equalization of the bulk commodity exemption—may be close to realization. It has been recommended times without number, by the ICC, in Congress, and by the numerous groups which have studied transportation so intensively ever since the end of World War II. At least one observer of the Washington scene has flatly stated that action will be taken next year. Such action, if it comes, may go either way—and either will satisfy the railroads.

"In the past," Gregory S. Prince, vice president and general counsel of the AAR, said last year, "the railroad industry has stood for repeal of these laws of exemption. Today it stands for equality—either by repeal or by extension of them to the railroads. We will take either one, repeal or extension. But, in the name of simple fair play and all that is just, give us one or the other."

Action on the second "if"—assessment of user charges on inland waterways—is probably somewhat farther in the future. But the principle of such charges has been accepted by highway and air carriers; by such influential shipper groups as the National Industrial Traffic League; by, in fact, nearly everyone with any interest in the subject except the waterway operators themselves. Their publicity campaign against charges is admittedly skillful; their political influence apparently great. But, it is hard to see how a government which taxes everything else can (or will) long overlook this source of still-untapped revenue.

Resolution of the third "if"—development of new types of equipment and new methods of operation—lies in railroad hands.

(Continued on page 54)

NEW COMPETITIVE WEAPON?

The proposed "integral train," referred to on page 54 as a possible new railroad weapon in the battle for bulk traffic, would be specifically designed to meet conditions surrounding each application. A possible typical train, however, is tentatively visualized as carrying a minimum payload of 25,000 tons, at a sustained speed of from 50 to 55 mph.

Cars, as now conceived, would probably be four-axle units, with a maximum loaded weight of about 250,000 lb each. For public utility coal service, they would probably have longitudinal, powered, interlocked bottom gates carried as low as standard clearances allow, and slope sheets angled at around 55 or 60 deg to permit fast unloading.

With anticipated utilization of from 150,000 to 200,000 miles per year, savings in tare weight would become far more important than at present average car-use levels of 40 to 45 miles per day. Consequently, designs would stress use of light metals, alloys and constructional methods chosen to minimize non-productive weight.

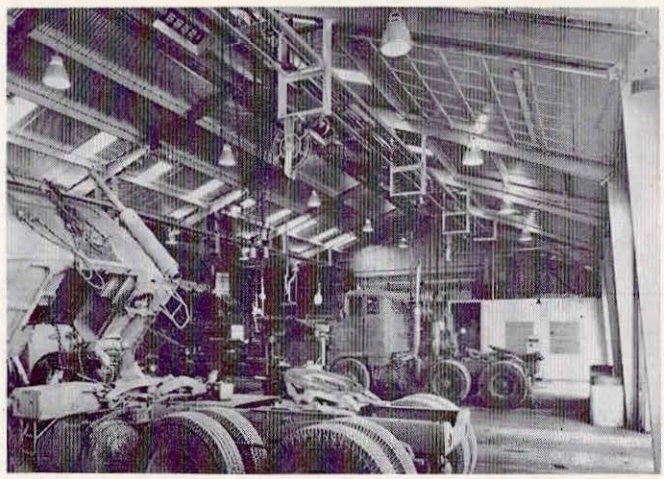
Cars would probably be permanently coupled in blocks of from four to seven by solid or swivel drawbars, but without couplers within blocks. While this would require setting out a complete block for maintenance, it would cut down on number of draft gear, couplers, control connectors, etc.

For proper handling of a train of 250 or more cars, motive power would have to be distributed throughout its full length. One possible arrangement would use four groups of two 2,500-hp units each, spaced at intervals of about 60 cars, with all units controlled from either end through electric cables running the length of the train. Fuel, water, sand, lubricating oil, etc., would be carried and handled so as to permit 2,000 to 3,000 miles of operation between service stops.

COLUMN-FREE prefabricated steel freighthouse includes underfloor conveyor system, plastic skylight panels.

FULL FACILITIES for "one-spot" car repairs, on two tracks, are housed in another "pre-fab" at Avondale.

'Pre-Fabs' Help The SP Centralize New Orleans Work



A THIRD BUILDING serves as garage and wash rack for SP trucks in the New Orleans area.

► **The Story at a Glance: Five prefabricated Armco steel buildings now house Southern Pacific supervisory, freight-handling and mechanical functions previously scattered between Avondale and New Orleans yards and a downtown office building.**

To improve supervision, freight handling, car repair and truck maintenance in the New Orleans area, the Southern Pacific has centralized these operations at Avondale, La., just across the Mississippi River from the larger city.

Work formerly done in two yards on opposite sides of the river, and in a city office building, is now concentrated in five pre-engineered steel structures, chosen, on the basis of previous experience, for their low cost, fast erection time, economical maintenance and easy expandability.

The five buildings include:

- An 80-ft by 411-ft freight station, which replaces an older building in New Orleans;
- A 60-ft by 80-ft car repair building, with roof and side walls made, in part, of Armco aluminized steel panels, and with plastic skylights in each bay;
- A 60-ft by 128-ft truck garage and wash rack with Steelox panel walls and heat-reflecting aluminized steel panel roof;
- A 16-ft by 52-ft gable-roofed telegraph office; and
- A 49-ft by 66-ft flat-roofed office building, heated and air conditioned, to house the superintendent and his staff, who were formerly headquartered in downtown New Orleans.

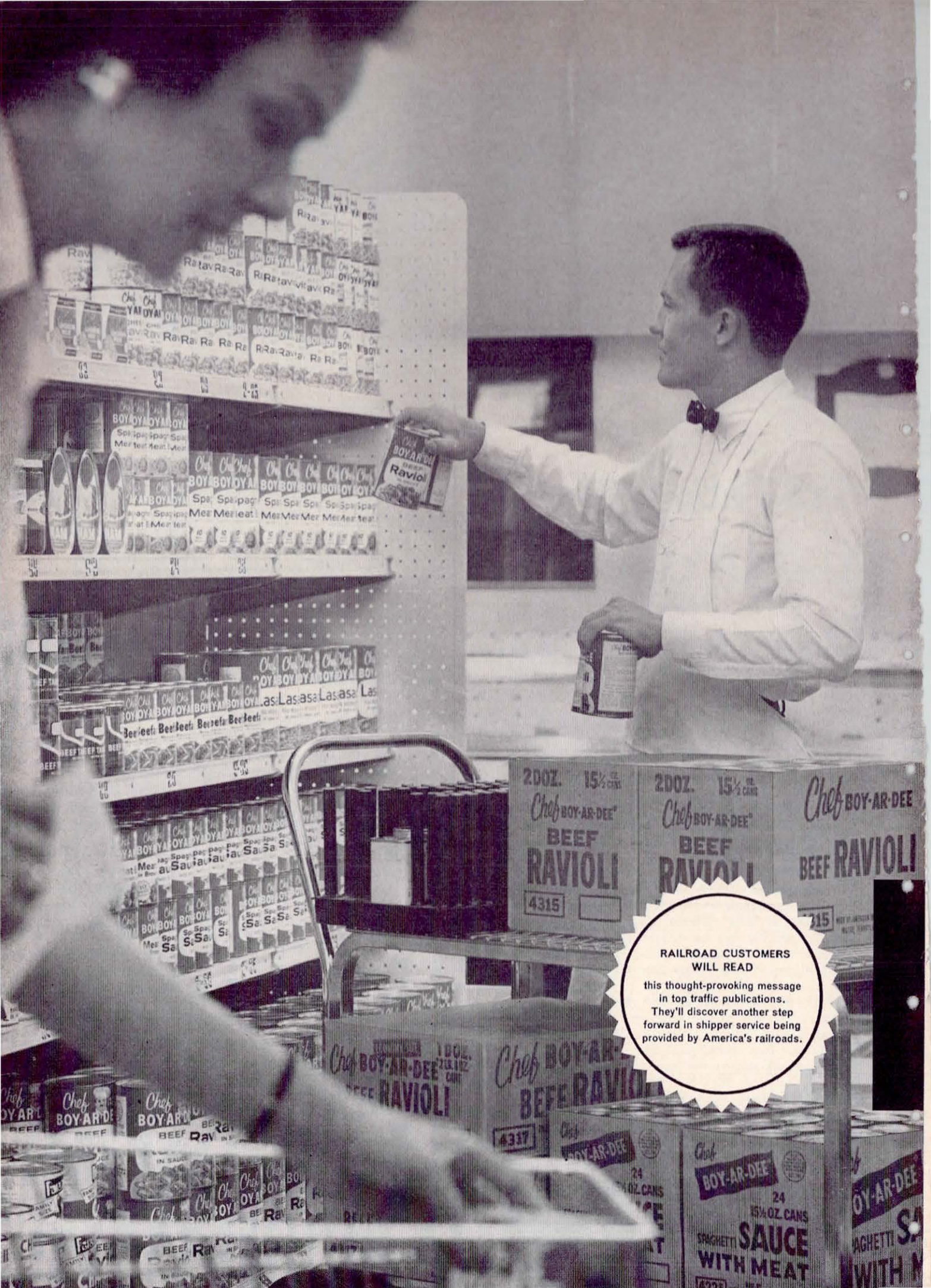
The 19-bay freight station handles trucks covering the entire New Orleans area.

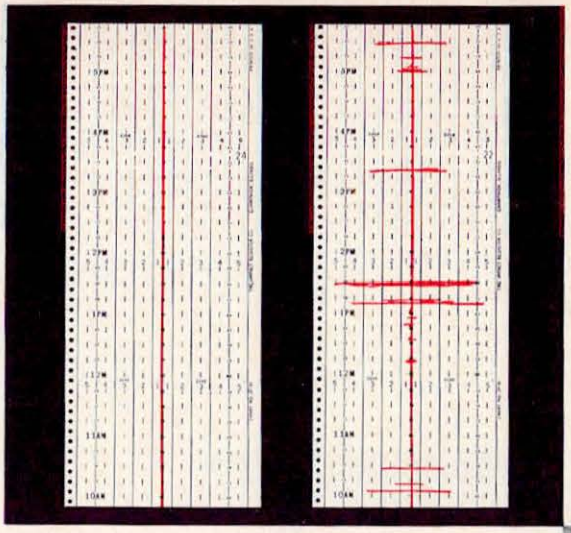
Up to 40 trucks can be loaded or unloaded simultaneously through door openings 11 ft high, and 18 ft, 8 in., 20 ft and 22 ft wide. Weather protection over the loading-unloading area is provided by a 10-ft-wide canopy of interlocking Steelox panels. Similar panels are used to partition off offices inside the building, while 60 plastic skylight roof panels provide daylight illumination. A floor conveyor speeds the handling and transfer of both inbound and outbound freight.

Freight cars are handled on three tracks adjacent to one side of the building, with an end-loading single-track piggyback ramp parallel to, but a little distance from, the freighthouse. The three house tracks and the TOFC track are served by the same lead track. Truck parking space is available at the other side, and both ends, of the freighthouse.

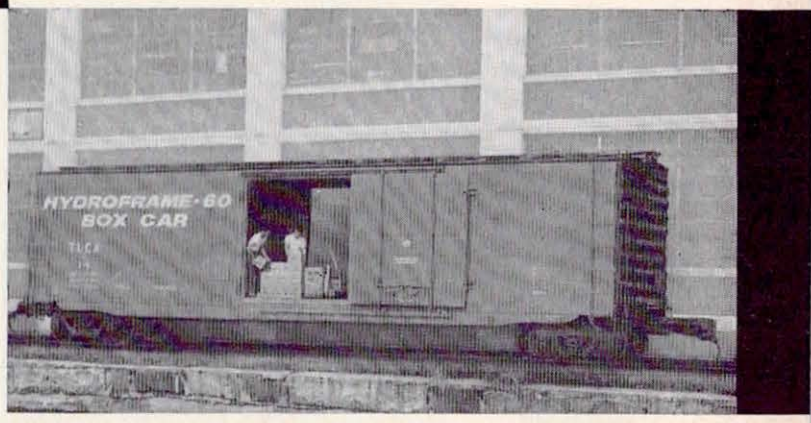
The car repair building, which operates on the "one-spot" system, has two repair tracks; pedestal-type cranes on each track, mounted independently of the steel building framework; and jacks and other necessary power tools.

The truck garage, which replaces another smaller steel building formerly used for the same purpose, is equipped for both major and minor repairs. Five doors, 11 ft high, on either side make the building readily accessible to highway vehicles for maintenance or cleaning purposes. The west end of the building is partitioned into necessary office space.


2 DOZ. 15½ OZ CANS
Chef BOY-AR-DEE
BEEF RAVIOLI
4315
2 DOZ. 15½ OZ CANS
Chef BOY-AR-DEE
BEEF RAVIOLI
Chef BOY-AR-DEE
BEEF RAVIOLI
RAILROAD CUSTOMERS WILL READ
this thought-provoking message in top traffic publications. They'll discover another step forward in shipper service being provided by America's railroads.
Chef BOY-AR-DEE
24 15½ OZ CANS
SPAGHETTI SAUCE WITH MEAT



Impacts up to 12 MPH with no damage . . . The impact tape on the right was taken from a recorder mounted on the sliding center sill to document the full force of coupler impacts. It reported many, two of which were in Zone 5. However, the tape on the left, taken from a similar recorder mounted inside the car, shows the lading enjoyed an impact-free trip. The reason: Long travel Hydroframe-60 units absorb and drain off the forces of heavy impacts . . . never let them reach the load to cause damage. Only *long travel cushioning*, the type provided by the P-S Hydroframe-60, can give this degree of protection.

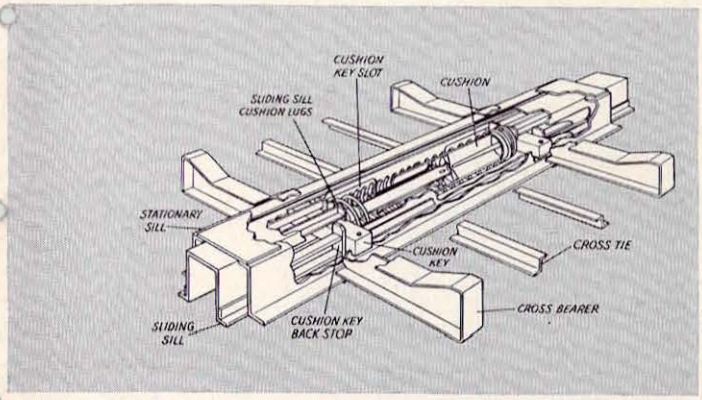


Chef Boy-Ar-Dee® products arrive ready for the shelves

■ Not a damaged carton or a crushed or dented case could be found in this entire carload thanks to P-S Hydroframe-60 protection. The reason: The long, smooth, *thirty* inches of hydraulic cushion travel built into the underframe of the Pullman-Standard Hydroframe-60 Box Car absorbs impacts . . . never lets damage-causing shocks and forces reach the lading. Result: no returns, no claims, no damaged merchandise or replacement shipments with time and profit consuming delays.

Take this trial shipment for example. A Hydroframe-60 demonstrator car was loaded at the American Home Foods plant in Milton, Pa., with a mixed load of Chef Boy-Ar-Dee canned ravioli, pizza sauce and spaghetti sauce and consigned to a Lawrence, Mass. warehouse. After traveling 530 miles over four roads, the 69,100 pound load arrived in claim-free condition, withstanding impacts up to 10 and 12 mph enroute.

Results like this are also being recorded daily in shipments of other commodities such as appliances, double stacked rolls of newsprint, glass, tin plate and many more damage susceptible products. With over 400 P-S Hydroframe-60 Box Cars now in service, shippers can enjoy new dependability and a new damage-free way of getting their products to market. For information on these cars and a brochure on the Hydroframe-60 contact your nearest Pullman-Standard sales office.



Cut-away view of the Hydroframe-60 Underframe . . . The secret to the spectacular results which are obtained with the Hydroframe-60 Underframe is found in the cushioning mechanism which provides 30 inches of cushion travel in each direction upon impact.

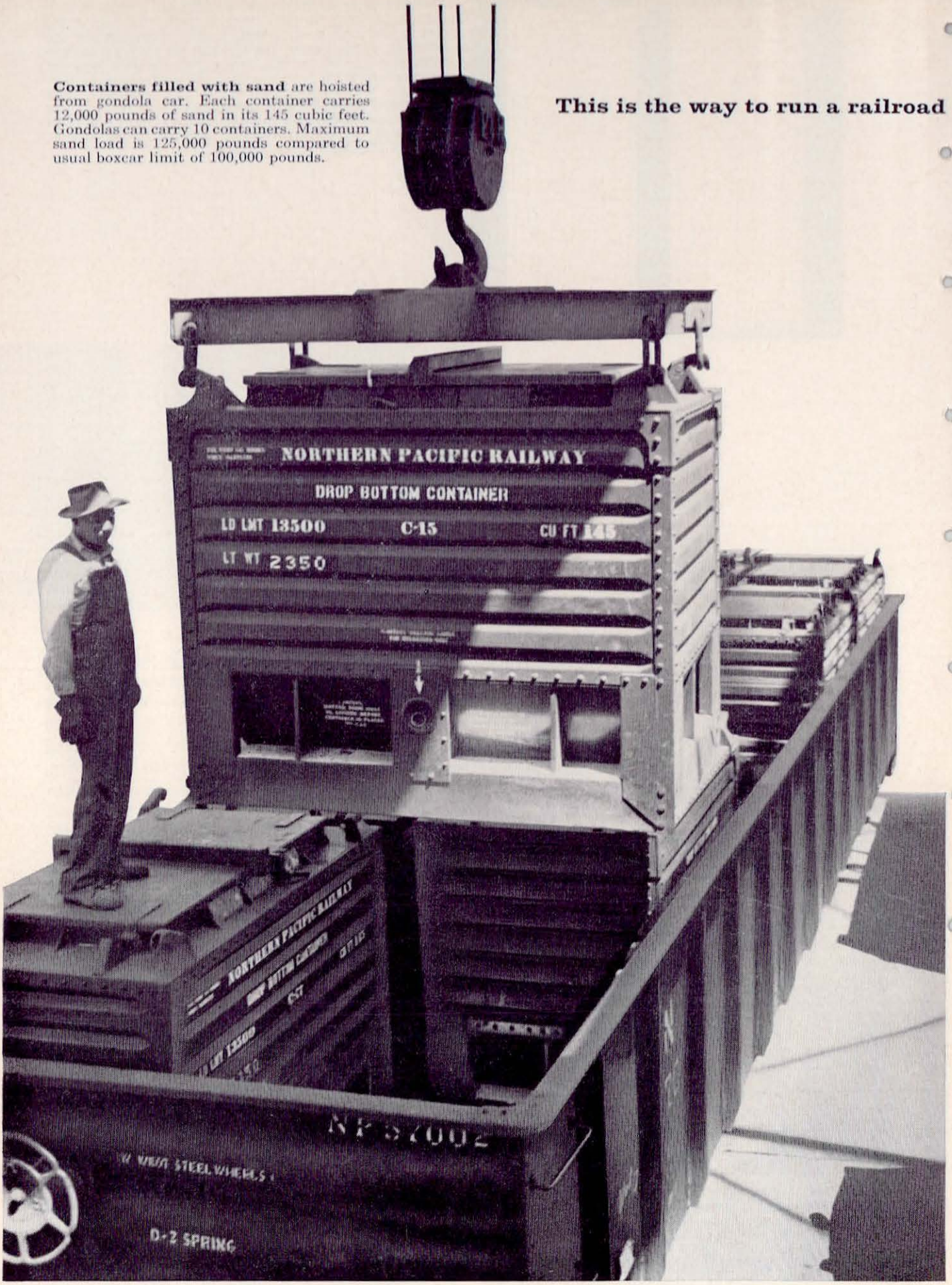
Hydroframe-60 Underframe now broadly protected by U. S. Patent No. 3003436.

PULLMAN-STANDARD

A DIVISION OF PULLMAN INCORPORATED
200 SOUTH MICHIGAN AVENUE, CHICAGO 4, ILLINOIS
BIRMINGHAM • PITTSBURGH • NEW YORK
J. C. FENNELLY CO., SAN FRANCISCO REPRESENTATIVE

Containers filled with sand are hoisted from gondola car. Each container carries 12,000 pounds of sand in its 145 cubic feet. Gondolas can carry 10 containers. Maximum sand load is 125,000 pounds compared to usual boxcar limit of 100,000 pounds.

This is the way to run a railroad.



Round-trip container idea saves this shipper more than $35,000 a year...

As told by NP's E. E. Chapman

E. E. Chapman is typical of the Northern Pacific traffic personnel whose job it is to speed your shipment, protect it en-route, and save you money wherever possible. Want an NP representative to discuss your shipping problems? Call the NP representative nearest you.

"Boxcars of industrial sand can be stinkers to unload. NP was handling sand from Ottawa, Illinois to the Esco Corporation in Portland, Oregon. Normally, all the railway is required to do is get the cars onto a siding for unloading. But we at NP feel our service should go further. So Esco Corporation General Traffic Manager George Foley and I got our heads together on this sand problem."

"Armed with facts and ideas, I went back to our NP office. We went to work and obtained specially-designed drop bottom steel containers that fit 10 to a standard gondola car. Now the containers are placed in gondolas, filled with sand and shipped to Portland. There they are crane-hoisted to hoppers where the contents are dumped. This new system cuts man-hours, cuts spillage, cuts contamination that made the sand useless."

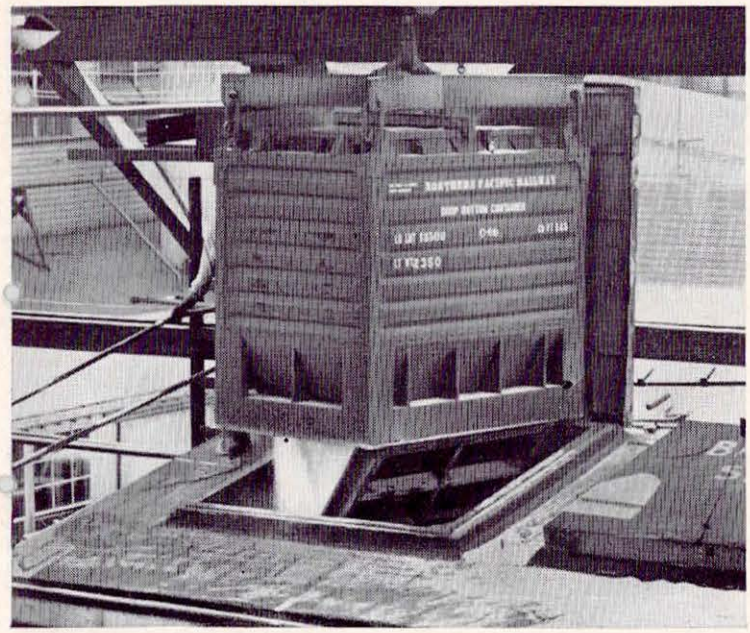
"This idea led to an even better one. Esco backhauls materials, so we suggested they ship the goods in the containers that used to make the return trip empty. It worked out just great. The Esco people figure this 'round-trip' idea saves them more than $35,000.00 each year. This is the way we at NP like to keep our shippers happy."

This is the way we run . . .

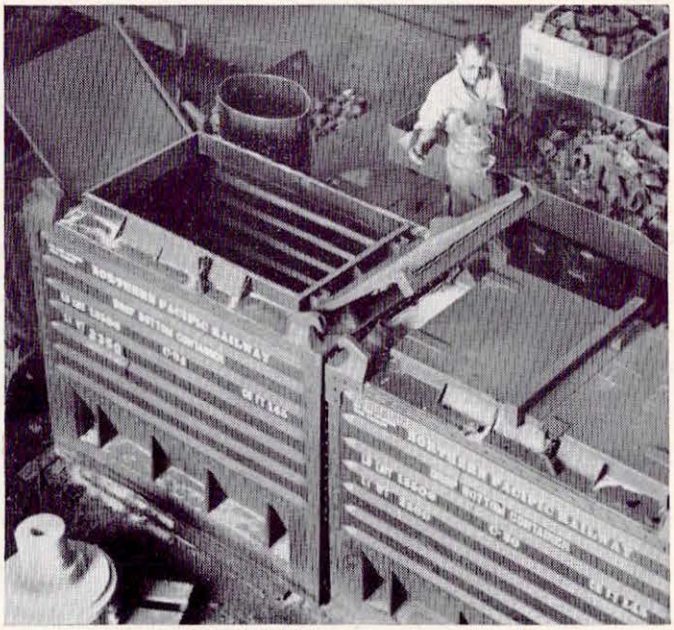
NORTHERN PACIFIC RAILWAY

CHICAGO • TWIN CITIES • TACOMA
PORTLAND • SPOKANE • SEATTLE

Sand flows into bin through drop bottom on container. Over the former boxcar shipments, this method saves shovelling, saves scooping, stops sand spilling.



Esco's products go into containers at Portland. The products formerly were shipped loose in gondolas. This idea saves unloading time of 30 to 40 man-hours per car.



Great Northern again steps up the pace of freight movement with...

New *lightning-fast* car locating and reporting system

Want to know where your freight car is? Its route? When it will arrive? Want to divert your shipment? Just ask your GN traffic representative and see how fast, accurately and completely he gives you the answers.

More than 5 years ago Great Northern realized that its long-established car-reporting and car-locating methods were being out-stripped by the swifter pace of freight movement across its transcontinental routes. Speeded up schedules; faster, more reliable locomotive operation; more efficient electronic classification yards; centralized traffic control—all these had combined to step up the tempo of shipping.

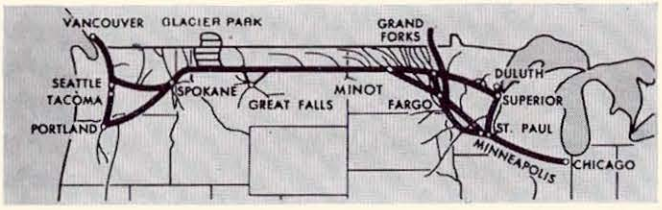
Rather than superimpose newer methods of car reporting on an old system, we decided to rip apart the entire system and start all over again.

It was not going to be enough simply to have an electronic device which, when asked the proper questions, would hustle back with the answer as to freight car location. Because the answers have to be *in* the machine, *accurately* and *completely*, before the electronic apparatus can spill them *out*.

Every stitch of an elaborate fabric of reporting—from yard to yard, from yard to Central Car Bureau, from Central Car Bureau to traffic office and thence to customer—has been revamped in the interest of speed, in the interest of accuracy and of completeness.

In addition, a totally new system of communication, lacing together 15 yards, headquarters and some 45 traffic offices across the nation, has been installed to make the system work.

And work it does. Prior to this announcement, the new Central Car Bureau has been in operation for a year and a half. Now that we've learned how to fully utilize this new high-speed informational system, we're ready to say it's at your service.



GREAT NORTHERN RAILWAY

Freight goes Great when it goes Great Northern

New Aluminum Center Flow Car:

THE INSIDE STORY OF ALUMINUM'S THREE PROFIT-MAKING ADVANTAGES

It's what's *inside* that makes covered hopper car profits: increased payload, freedom from contamination, freedom from corrosion. And these are aluminum's three big advantages:

1) ALUMINUM CARS CARRY MORE BECAUSE THEY WEIGH LESS. The weight saved is reflected in increased payloads. Eighty of the new aluminum cars are now actually carrying what 114 conventional steel cars did before!

2) ALUMINUM CARS DO NOT CONTAMINATE CARGOES. Aluminum carries food and other products for which steel cars require linings . . . eliminates the need for expensive inspections and repairs. It is both technically feasible and legally acceptable for all known types of food.

3) ALUMINUM CARS DO NOT CORRODE. Aluminum resists attack by many commodities that damage steel. It reduces repair costs and minimizes out-of-service time. Carrying chemicals, aluminum often provides a car-life several times that of steel.

Kaiser Aluminum's Department of Metallurgical Research has just completed an aluminum compatibility study on a wide variety of bulk ladings—ladings that move in volume on U.S. railroads. Two standpoints were considered: 1) *whether aluminum affects the commodity*, and 2) *whether the commodity affects aluminum.*

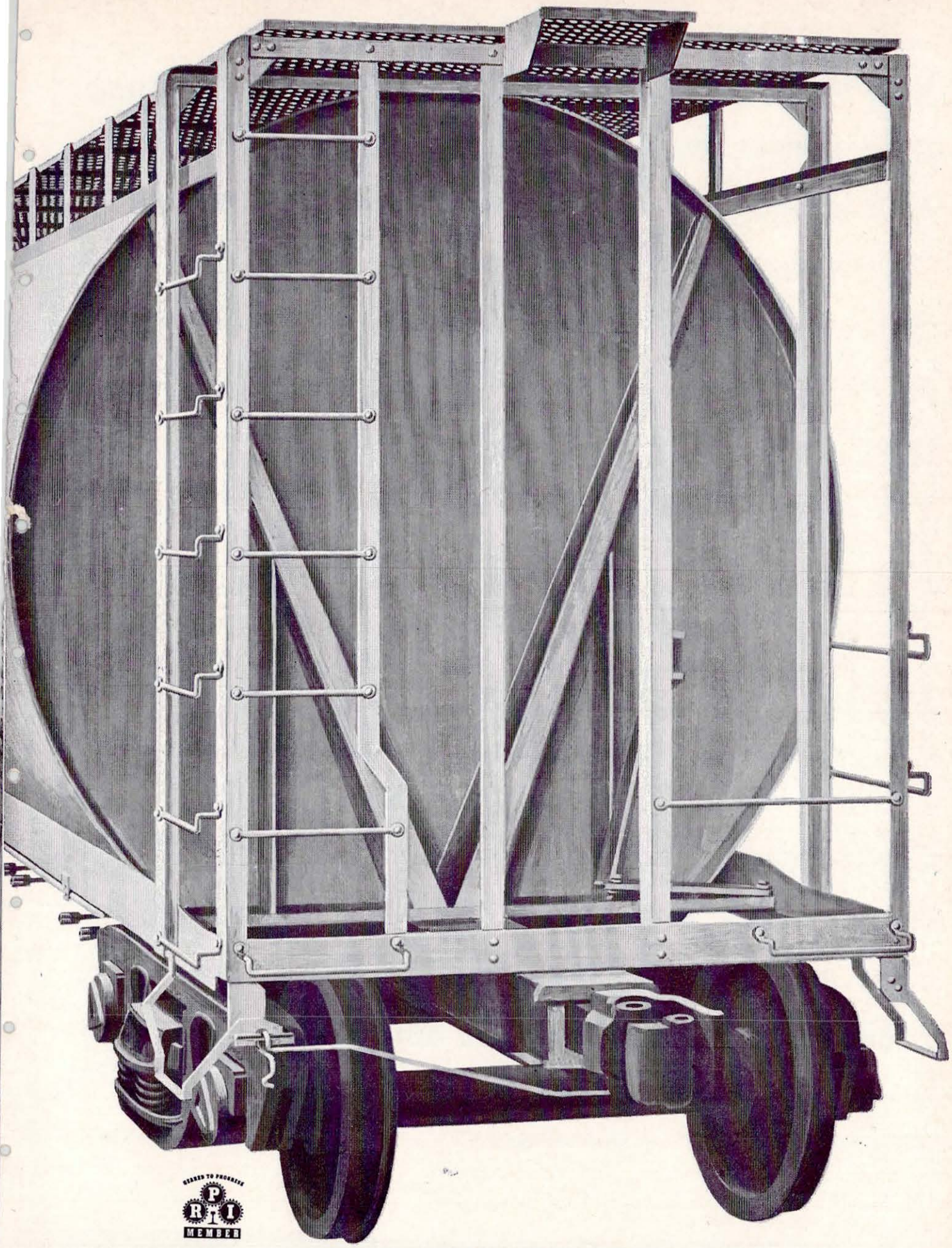
This unique research data, available for the asking along with Kaiser Aluminum's material design forms and fabricating techniques, may help you find the answer to *your* shipping problems! Contact your nearest Kaiser Aluminum Sales Office, or write:

Railroad Sales Dept.
Kaiser Aluminum & Chemical Sales, Inc.
Kaiser Center, 300 Lakeside Drive, Oakland 12, California

KAISER ALUMINUM

See "FOLLOW THE SUN" and "MAVERICK" weekly, ABC-TV Network.

Eighty covered hoppers like the one shown here are entering service. Constructed by ACF for lease by Kaiser Aluminum from Shippers' Car Line, each of these giant capacity cars will carry 104 tons payload of alumina from Louisiana to West Virginia.



New Metal Brake Shoe Gains Sweeping Acceptance.

Now, a new, improved METAL brake shoe . . . the A-12 is being used on 75% of all Class 1 railroads. In less than one year this new product of American Brake Shoe research has achieved an unequalled performance record on switcher locomotives . . .

Here's why:

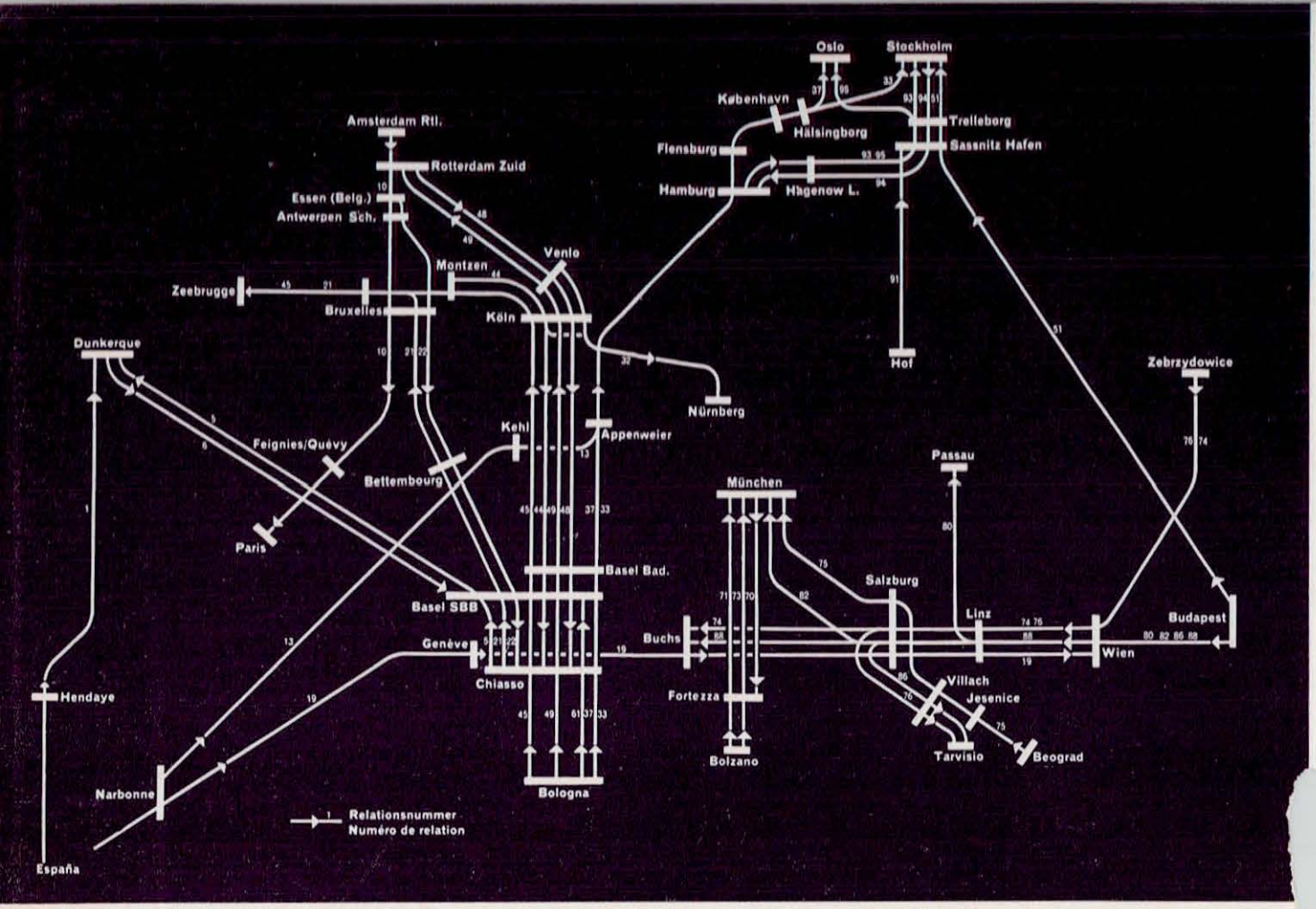
1. This metal brake shoe outlasts regular iron shoes by as much as three to one.
2. This metal brake shoe exceeds the life of composition shoes at one-third the cost without costly equipment changes.
3. This metal brake shoe is engineered for the service . . . faster flat switching than with composition shoes . . . sure holding on the hump.

For dependable braking of your switchers specify A-12 METAL brake shoes by American Brake Shoe. They are engineered to take it and give you more braking for your brake shoe dollar.

AMERICAN Brake Shoe COMPANY

Over a half century's experience in braking materials: Diamond S Metal Shoes; Comet Composition Shoes.

RAILROAD PRODUCTS DIVISION • 530 FIFTH AVENUE, NEW YORK 36, N. Y. • (IN CANADA: DOMINION BRAKE SHOE COMPANY, LTD.)



FASTER FREIGHT MOVEMENT between 18 countries is provided by new TEEM trains.

Trans-Europe Express Moves Freight Fast

► **The Story at a Glance: Faster and more reliable freight service, partly to meet truck competition, are the objectives of new TEEM (Trans-Europe Express Merchandise) trains now being operated on 30 routes serving 18 countries.**

Modeling the operation on their successful TEE passenger services (RA, June 9, 1958, p. 16), 18 European railway systems have inaugurated joint international running of fast new TEEM freight trains.

Purposes of these Trans-Europe Express Merchandise services are to provide shippers with faster and more reliable freight movements and, thus, to put railways themselves in better position to meet highway competition.

The new trains have been in the planning stage since 1955. They were formally approved at a meeting of railway officers from participating countries at Budapest in November 1960, and began operation May 28, 1961.

They already are producing substantial reductions in delivery times. A shipment from Narbonne, France, to Vienna, which formerly took 79 hours, can now be completed in 35. Freight from Bologna, Italy, to London can be moved in 44 hours, against 60 before inauguration of TEEM. Shipments from Great Britain and Belgium to Austria, Czechoslovakia and the Balkans, when carried on TEEM trains, arrive 10 hours earlier than before. TEEM freight from Italy to Oslo or Stockholm can be delivered 29 hours and 19 hours faster, respectively, than ordinary shipments.

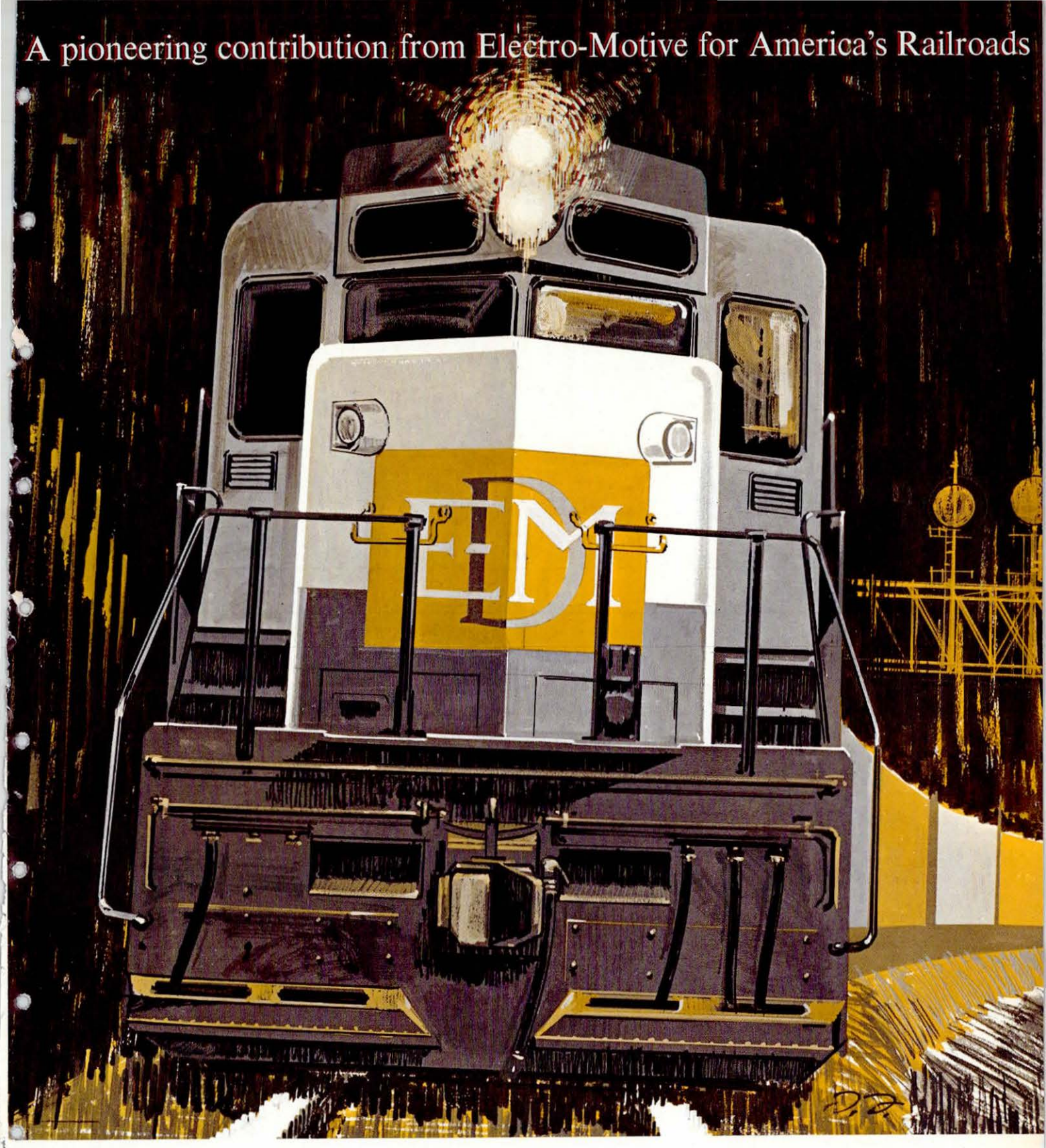
The stepped-up service has been achieved by scheduling regular runs of high-speed trains, and by reducing time needed for border stops. TEEM trains must have a technical speed of from 55 to 65 mph; must maintain maximum permissible speeds en route; and must run through to scheduled terminals regardless of load. To insure on-time performance, they are limited in length to 100 axles and in weight to 1,000 metric (1,103 U.S.) tons. Frontier stops, for customs formalities, must not exceed two hours.

Despite the rigid schedule requirements and faster transit times, rates for TEEM service are only slightly higher (and in some cases actually less) than rates for ordinary freight. This is possible, at least in part, because conditions established for TEEM operation permit maximum utilization of motive power and rolling stock.

The trains are used principally for freight requiring fast delivery, with emphasis to date on perishable foods.

The existing TEEM network, shown on the accompanying chart, consists of 30 separate services, operated by the railways of Austria, Belgium, Czechoslovakia, Denmark, East Germany, France, Germany, Great Britain, Hungary, Italy, Luxembourg, The Netherlands, Norway, Poland, Spain, Sweden, Switzerland and Yugoslavia. It is expected that similar services eventually will be extended to all important consumer centers in Europe.

A pioneering contribution from Electro-Motive for America's Railroads



GENERAL MOTORS ANNOUNCES . . .

1577
EMD
GP 30

The BROAD-RANGE GP-30

. . . Another Dramatic Step in Maintenance Reduction

Advancing the trend established by earlier General Purpose locomotive models, the GP-30 takes another long step in reducing scheduled maintenance. Dramatic maintenance reduction combined with greater operating flexibility—high speed freight runs today, heavy drag service tomorrow—provides a locomotive that will do more work at less cost than ever before. The GP-30, mixed with other General Purpose and freight-type units of a lesser horsepower, meets basic requirements of a "pool" locomotive.

The GP-30 is a balanced design motive power unit. Its reliability and economies of operation and maintenance are measured in terms of greater capacity—fewer units required to meet today's freight schedules . . . sharply reduced maintenance requirements enhancing still further the General Motors Locomotive's long established record of higher availability . . . and increased operating efficiency resulting in further improvement in specific fuel consumption.

The Revolutionary GP-30 is more than a locomotive with increased capacity. Motor characteristics, wheel slip control, weight distribution, and factors creating good adhesion have been carefully balanced to create a truly flexible and versatile locomotive. And . . . to protect the railroad's investment in older locomotives, the Revolutionary GP-30 offers even greater economy through the General Motors Locomotive Replacement Plan.

For complete information about the Revolutionary GP-30, write for descriptive brochure and contact your Electro-Motive Representative.

GENERAL MOTORS LOCOMOTIVES

ELECTRO-MOTIVE DIVISION
GENERAL MOTORS
LA GRANGE, ILLINOIS • *HOME OF THE DIESEL LOCOMOTIVE*
In Canada: General Motors Diesel Limited, London, Ontario

The
Revolutionary
GENERAL
MOTORS
GP-30

A new broad-range, unit-reducing mainline locomotive . . . twenty-two hundred and fifty working horsepower . . . a major contribution from Electro-Motive research and product development . . . creating the profit making advantages of lower maintenance, higher reliability, broad-range performance . . . moving more gross ton miles per freight train hour at lower operating cost than any Diesel-electric locomotive ever put on the rails . . . anytime, anywhere.

This is the Revolutionary GP-30 . . . a new pace setter for America's railroads.

SHIPPERS VIEW PASSENGER AID

(*Continued from page 13*)

They should be adjusted"—perhaps "in proportion to subsidies granted the states for road building."

The modest majority of all respondents who indicate general approval of the ICC's subsidy proposal do so, as stated above, with considerable reluctance and freely expressed misgivings. "I see no other way out," says Southworth Lancaster, Boston transportation consultant. "Under modern conditions," he adds, "passenger transport cannot be profitable unless a good part of the cost is paid by government. It survives, by other modes, only because public aid is freely given."

From the opposite end of the country, J. D. Paul, secretary-manager, Seattle Traffic Association, "can see no alternative other than subsidies, distasteful though they are." "I heartily disapprove," he says, "of subsidies to any type of transport, and am extremely reluctant to see them extended to rail carriers for passenger service. On the other hand, there are cases where the service is absolutely essential, yet can never be self-supporting."

Combining two points of view, C. D. Cooper, general traffic manager, Minnesota & Ontario Paper Co., Minneapolis, who "abhors the word 'subsidy,'" suggests that any payments be considered instead "as money returned in indemnifying railroads against their passenger losses. . . . To return to the railroads the amount of their passenger losses is not subsidizing them; it's just making them whole."

Then Mr. Cooper asks: "Why should we, as shippers, continue to have to accept freight rates that are built up by costs that include passenger losses?"

His last point is echoed in several other replies. "The passenger deficit," says C. D. Duffy, GTM, Westinghouse Electric Corp., Pittsburgh, "diverts freight income dollars to subsidization by the railroads of the passenger-riding public. This drain of freight income is one reason—perhaps a major one—that prevents freight income from being reinvested in more modern equipment which would benefit shippers and attract more tonnage to the rails. There is greater logic to the public subsidizing passenger transportation than to having rail freight operations do so."

In similar vein, W. F. Cassidy, Jr., traffic manager, Joanna Western Mills Co., Chicago, suggests that "fullest possible development of freight service should not be retarded by diversion of sorely needed revenue to subsidize passenger operation."

A third reason for subsidy is simply that the "government has subsidized other forms of transportation," as W. J. LaLuzerne, Green Bay, Wis., puts it.

Government, i.e., taxpayers, offer the only remaining source of funds for continuance of passenger service, in the opinion of R. F. Treptow, general traffic manager, H. D. Lee Co., Kansas City, Mo., and E. L. Ross, traffic manager, Armstrong Paint & Varnish Works, Chicago. Both men suggest, in no uncertain terms, that money spent to subsidize railroad passenger service would "give more return than the billions we have spent nonsensically in overseas 'investments'."

A good many of the men who subscribe to the basic subsidy proposal would like to see any payments made under it earmarked for specific purposes; and the burden of making them shared in part by local as well as federal authorities.

In the first group, C. X. Coyle, manager of transportation for Alan Wood Steel Co., Conshohocken, Pa., would "apply the subsidy to produce new and modern equipment, especially designed to do the commuter job."

A. S. Daviau, traffic manager, Mennen Co., Morristown, N. J., thinks subsidies "should not take the place of positive rail management." Similarly, W. C. Pine, manager of traffic for the DeLaval Separator Co., Poughkeepsie, N. Y., approves only if "the suggested subsidies are handled and designed so freedom and incentive can be retained by railroad management."

Other subsidy proponents insist that part of the cost be borne by state or local governments. "The federal subsidy," says J. B. Griffin, director of traffic for the Scovill Manufacturing Co., Waterbury, Conn., "should offer only partial relief. The balance should come from local areas using the service, from advanced equipment using other than standard crews and procedures and from increased commuter charges." "Any form of relief should be furnished by the area affected," agrees D. C. Ward, transportation manager for Hoerner Boxes, Keokuk, Iowa. "How about matching federal funds on some basis like the 90%-10% formula for the highway program, or using the urban renewal program for commuter problems?" asks Lee Cisneros, director of traffic for the Cabot Corp. of Boston.

In more detail, W. K. Cabot, general traffic manager, Johnson & Johnson, New Brunswick, N. J., points out that "maintenance of commuter service is primarily a local problem. Financial problems in connection with it should be solved at that level. Some local governments blindly ignore the problem. Others are unable to cope with it. Reluctantly, therefore, I think the federal government must give some assistance, but would hope it would be for only a temporary period.

"To encourage local governments to accept their responsibility, while minimizing the federal government's intervention in state and local affairs, I feel federal assistance should be to these governmental divisions, rather than the carriers. I have in mind federal participation under a formula reflecting something less than 100% of the taxes foregone, or other forms of assistance, granted carriers by local governments."

It is the failure of local governments to assume their responsibilities that may make it necessary for the federal government to step in, says C. T. Coy, traffic manager, Eli Lilly & Co., Indianapolis. But whoever pays, writes A. C. Roy, director of traffic, Pennsylvania Glass Sand Corp., Pittsburgh, any subsidy should be limited to "essential" services, and to the "actual loss" from such services.

REDUCTIO AD ABSURDUM

First reply to this month's Poll came from Houston, Tex., 40 hours after the questionnaire was mailed from New York. Clearly, both inquiry and answer had been airlifted—at surface rates.

Good mail service? Granted. But, because the Post Office takes revenue from surface carriers to give selected mail air speed it doesn't need, the ICC now proposes subsidies to make up what those same surface carriers are not, in part, allowed to earn.

Wouldn't it make more sense to limit air mail to those cases where payment of premium rate indicates desire for fast service—let surface carriers earn revenue from mail on which surface rates are paid—let such self-help reduce need for, or amount of, subsidies?

Or are we just old-fashioned?

RAILROADING AFTER HOURS WITH JIM LYNE

SLOW MAIL BY AIR—I've heard from a fellow who gets mail regularly in Philadelphia from Denver—with 4-cent stamps on it. This is, of course, the train mail rate, but the P.O. department usually flies it on the spare-space arrangement with the airlines. The point is that the mail thus flown hardly ever makes any better time than if it moved all the time by rail. Just what useful public purpose is served by this diversion of mail from rail to plane? Somebody "up there" (or maybe it's "down there") loves the airlines and hates the railroads' innards.

GOT A PHOTO OF THE GEN.?—The L&N is getting fixed to take its famous old locomotive, the Western & Atlantic's historic "General," on an extended tour next spring. And they're looking for all the pictures they can find of this engine—taken between 1870 and 1890. If you've got anything around that meets this specification, please tell E. H. Thomas of the L&N news bureau about it.

SHOW WINDOW—Not long ago I fell into conversation with several academic economists—who should know, if anybody outside the transportation business does—that the railroads' principal business is hauling freight, not passengers. Nevertheless, they put me on the hot seat about railroad passenger service—and how it could be improved both as to earnings and acceptability by the public. Try as I would, I couldn't get the subject switched to the freight business.

This experience is not unusual—in fact, it occurs all the time. I've come pretty near to believing, since railroad reputations are so heavily weighted on the passenger side, that railroads have just about got to make the service attractive or get out of it. It's as if a fellow in the carpentry line were to have his skill judged, not by his workmanship at his trade, but by the cut of his clothes when he dresses up on Sunday. If he isn't decked out like a dude on his day off, the assumption is that he can't drive a nail straight.

A CASE IN POINT—Just to illustrate this point, take a look at the piece in Reporter magazine for October 12—an article called "The Right Track," which is full of red-hot ideas on "how to run a commuter railroad for fun and profit." The writer has ideas for a lot of services—such as a stock ticker, an exercise car, suit-pressing and so on. The piece is only semi-serious, but it certainly reflects the popular belief that railroad freight service is merely incidental to the main business of hauling people.

If anybody knows of a way to correct this false impression, I'd like to know of it—and I suspect a lot of railroad executives would like to, too.

HIGHWAYS COME FIRST—It may be wishful thinking on my part, but I seem to detect a growing resentment, on the part of the influential public, at the way highway builders are subordinating all other considerations to their zeal in covering the face of the country with paving. Said the New York Times recently:

"The great throughways and freeways have cut ruthlessly across the fields, over hills and through forests, usually without regard for the natural beauty of the land. Anything in their way has to be destroyed or moved, as we have uncritically accepted the cult of the bulldozer."

The piece goes on to tell about a highway route laid out in Sacramento which threatens to "mutilate the scene of many of California's lordliest memories."

This kind of talk borders on heresy, I should say. Everybody should know by now that highways come first—and that they must not twist around or rise and fall, because then they would serve only the private motorists and would not be as useful as they should to those multiple-bottom trucks.

If you have any information, or pictures, of the highway builders' conquests over other interests in your community, I'd sure be happy to hear from you.

'ELEVATEDS' ARE BACK AGAIN—I see where that railroad trestle along the river front in St. Louis is in process of coming down, to be replaced by a tunnel—as more pleasing to the eye. Some cities tear down their elevated railways—but substitute elevated highways which are even more of an eyesore, because they are so much more numerous. All of us are motorists—but, then, all of us have other interests which are just as important to us as wheeling along in an auto. My guess would be that our cities would be easier to look at and live in, if we were to turn city planning over to the local ladies' garden club, instead of to the public spenders who are in the saddle now.

Mr. Railroader:

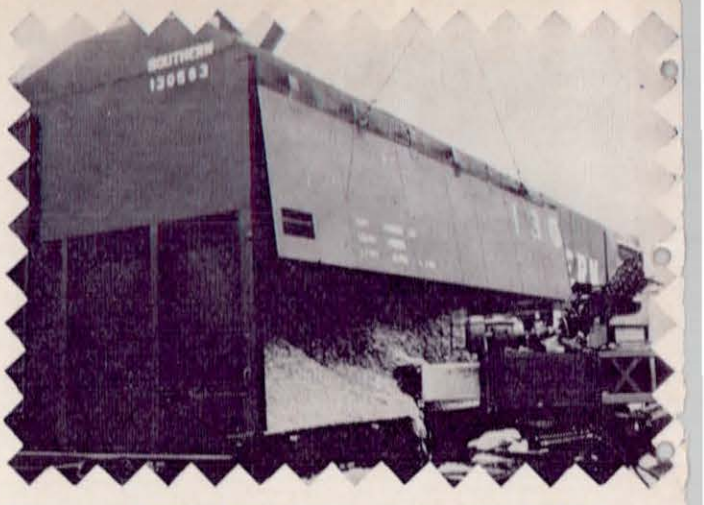
YOU CAN LOWER THE COST OF YOUR ELECTRICAL ENGINEERING AND CONSTRUCTION!

For over four decades, we have specialized in Railroad Electrical Engineering and Construction. Such service has included a co-ordinated program for serving the Railroad Industry: Surveys, Preliminary Design and Cost Estimates, Final Working Drawings, Firm Construction Costs.

Let us show you how we have worked with Engineering Staffs of prominent Railroads who have used, to their advantage, our experience as Specialists to reduce costs and increase operating efficiency.

HARRY F. ORTLIP, President
Harry F. Ortlip Company
50 North 18th Street
Philadelphia 3, Pa.
LOcust 4-4800

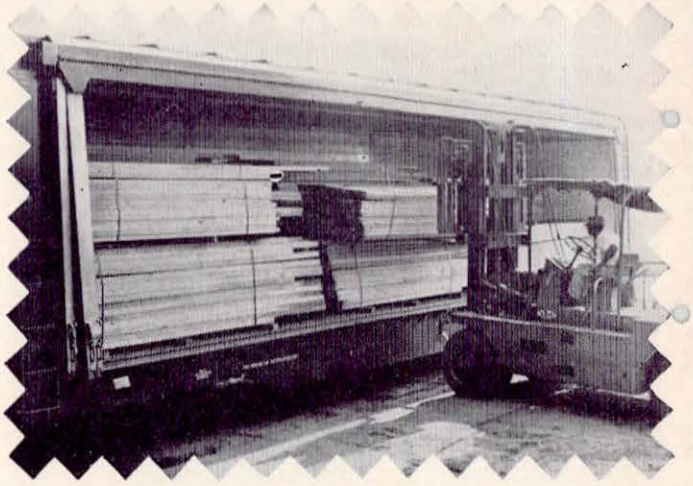
Each of these especially designed 3-level freight cars carries 12 standard automobiles or 15 "compacts" from automobile assembly plants to distribution points along the Southern. Unique loading ramp is shown in foreground.



Two new lightweight, high-capacity "wood chip" cars, designed by Southern, do the work of five former ones. This means substantial savings in freight costs. Further savings result from our new, reduced rates for capacity loading.

Our new "Super-cushion" cars have a special, Southern-designed hydraulic absorption device that soaks up coupling shocks, to protect fragile freight. Packaging costs are reduced and expensive crating and bracing are not needed.

This modern way to handle and haul many kinds of freight faster and better is called "containerized rail-highway freight" service. Container-loaded cars like these are moving on the Southern today in ever-increasing numbers.



This new "all-door" freight box car, designed by Southern, has full-length sides that roll up like your overhead garage door. It's ideal for speedy and economical fork-lift loading and unloading of lumber and many other kinds of freight.

New... and custom-tailored to cut freight and handling costs for Southern shippers!

THE CARS you see here have been specifically designed, not only to lower your freight costs, but to reduce your packaging and handling expenses, too. And they are more than just new freight cars. They're "living examples" of Southern Railway's determination to give you low-cost, ever-better service that keeps pace with the changing transportation needs of the fast-growing territory it serves.

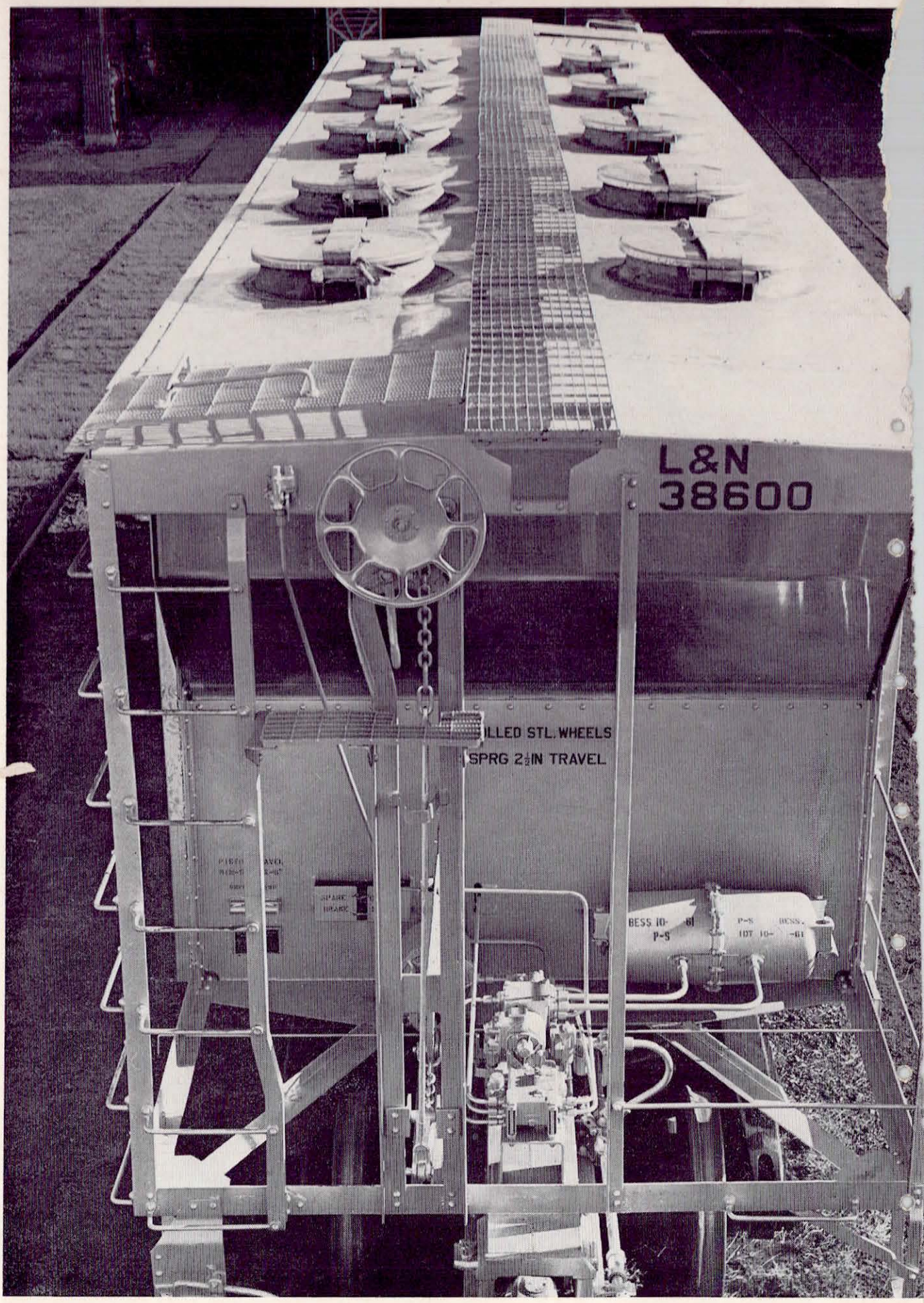
Often this means breaking away from the traditional, doing old tasks in new and better ways. That's fine with us. We will do whatever we can, whenever we can, to offer you the most modern, dependable and efficient rail transportation we can provide.

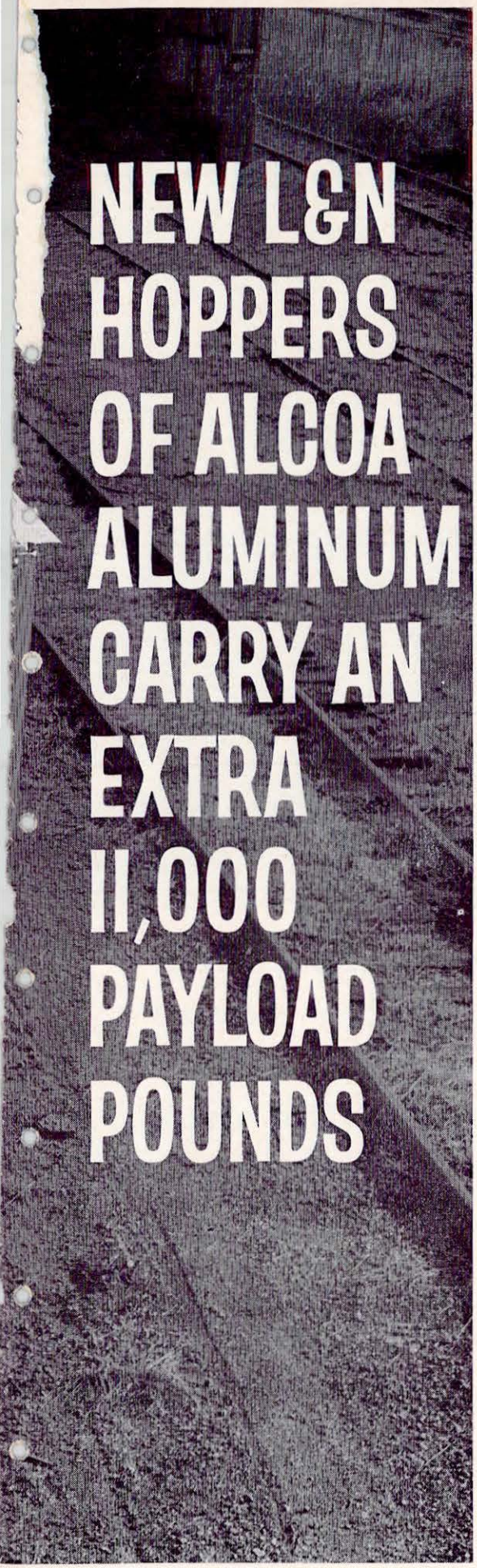
These new, custom-tailored freight cars are one example of how we are doing it. And there are many more. We hope that putting the accent on your specific needs will mean increased business for us. We *know* it will mean better service for you. Ship Southern and see!

SOUTHERN RAILWAY SYSTEM

"Southern's Accent is on YOU!"

THE SOUTHERN SR SERVES THE SOUTH


L&N
38600
ILLED STL. WHEELS
SPRG 2½IN TRAVEL



Louisville & Nashville's 40 new covered hopper cars are of the well-known PS-2 design, except Alcoa® Aluminum trims the tare weight of each by *5½ tons*, turning dead weight into pay weight.

But aluminum does more than just add payload. This *lighter* metal needs less motive power, lowers operating costs. This *corrosion-resistant* metal never rusts, cuts maintenance costs. This *inert* metal prevents cargo contamination — requires no expensive coating.

Alcoa has worked with railroads for more than 30 years; with aluminum for more than 70. Our railroad engineering staff — backed by the industry's longest experience and largest production facilities — is at your service, ready to work on your specific problems. Get in touch with your nearest Alcoa sales office, or write: Aluminum Company of America, 1772-K Alcoa Building, Pittsburgh 19, Pa.

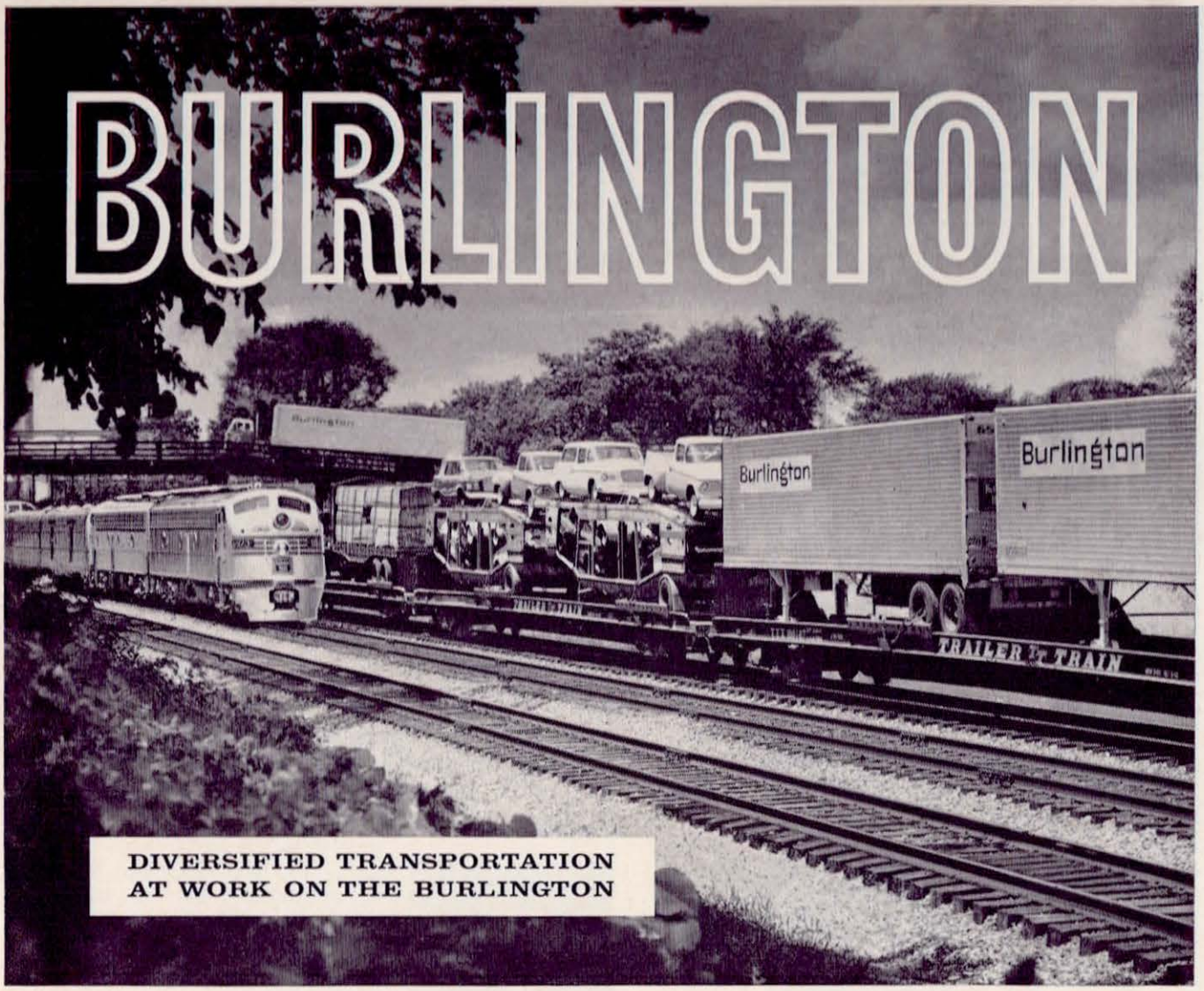
"We believe aluminum will be more and more a factor in the design of freight equipment. These cars are a further substantiation of this belief, and our intention is to design for the requirements of our customers." — Mr. George Green, V.P., Marketing, Pullman-Standard, builders of L&N's new fleet of aluminum covered hopper cars.

ALCOA ALUMINUM

ALUMINUM COMPANY OF AMERICA

Entertainment at Its Best . . . ALCOA PREMIERE
with Fred Astaire as Host . . . Tuesday Evenings, ABC-TV.

GEARED TO PROGRESS
P R I
MEMBER



Diversified industry and diversified agriculture–vital to a prosperous nation–require specialized transportation services. Burlington has $973,503,831 invested to provide such transportation. Freight trains, passenger trains, "piggyback" trailer trains, special-type freight cars, highway trucks–all are ready to serve you.

H. C. MURPHY, President

Burlington Route

BURLINGTON LINES

New Container Unitizes Brick Shipments

Complete containerization of brick shipments from kiln to final job site is possible with the American Truck Body Co.'s "Pactainer" system. By using mechanical equipment in lieu of manpower, the system is said to permit lower costs, less damage, and faster deliveries of bigger loads.

The "Pactainer" system involves three basic transportation elements:

1) A standard 50½-ft flat car with its deck modified to hold 10 standard containers, 40 in. by 84 in. by 68 in., with individual capacities of 3,000 bricks or the equivalent in other structural clay products, plus container tie-downs;

2) Trucks equipped with single or tandem "Pack-Hauler" bodies of an equivalent size, for transportation from kiln or storage area to loading point at origin and from track to job site at destination; and

3) Car-floor-level loading docks, 12 ft by 29 ft or larger, with 18,000-lb-capacity bridges or dockboards between dock and car.

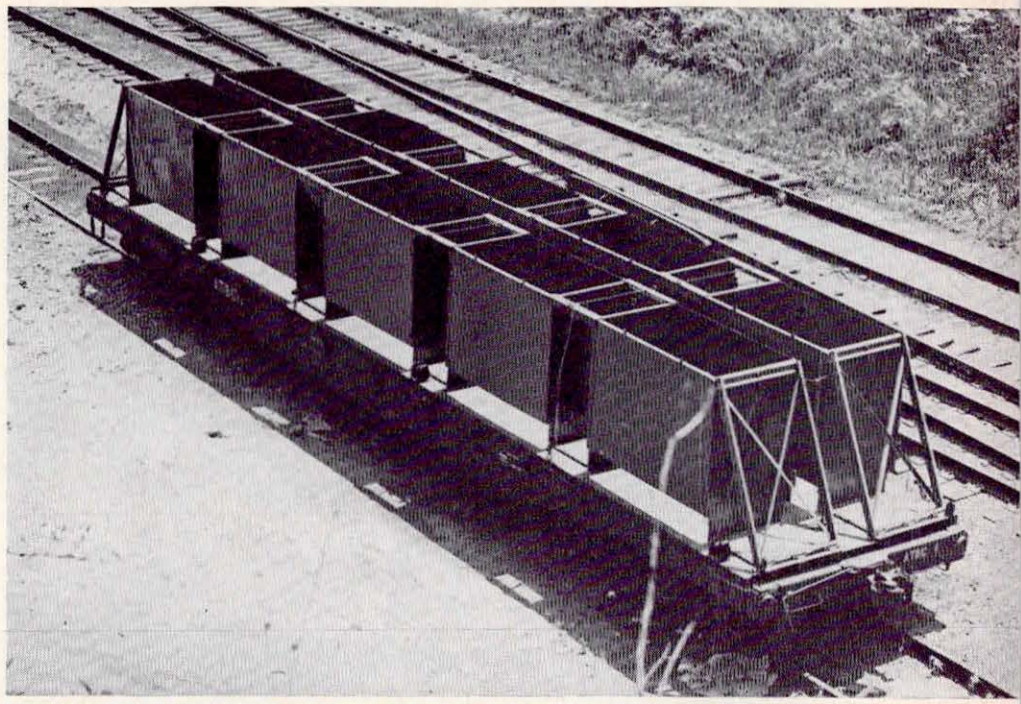
The containers, manufactured by American Truck Body Co., do double duty as an inner liner in the "Pack-Hauler" truck body and as containers for rail shipment.

In operation, bricks (or their equivalents) are stacked into 3,000-unit cubes either in the containers themselves or in standard wood or steel jigs. The entire unit is then picked up by truck, which places it directly in position on the car. At destination, the same process is reversed. In both cases, the truck driver controls the entire operation; the only other labor required is one man to fasten or unfasten the container tie-downs on the car. Cars may be loaded from either side, but must be unloaded from the same side as they were loaded.

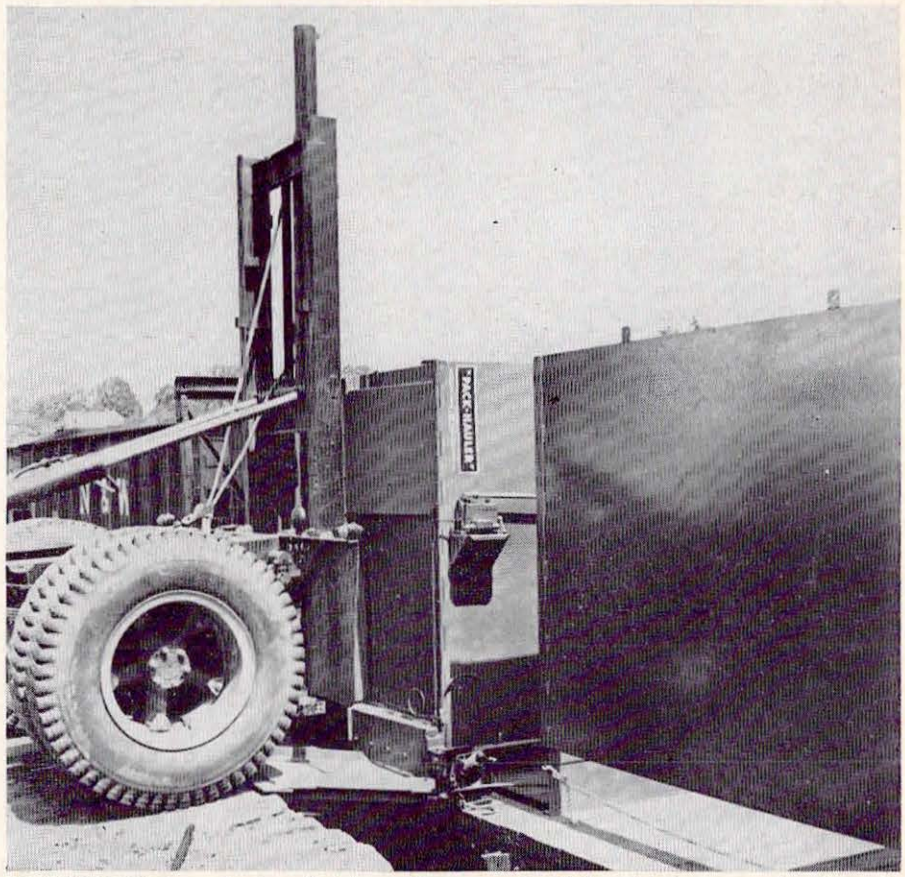
Assuming a 1,500-ft truck haul, the time for loading a car with 10 containers (30,000 bricks) is approximately 90 min. Unloading time, under comparable conditions, is about 60 min.

Further information about the "Pactainer' system is available from the American Truck Body Co., P. O. Box 1391, Martinsville, Va. ATB says the container-equipped flat cars may be purchased outright; leased "through several private agencies"; or obtained directly from the transporting railroad.

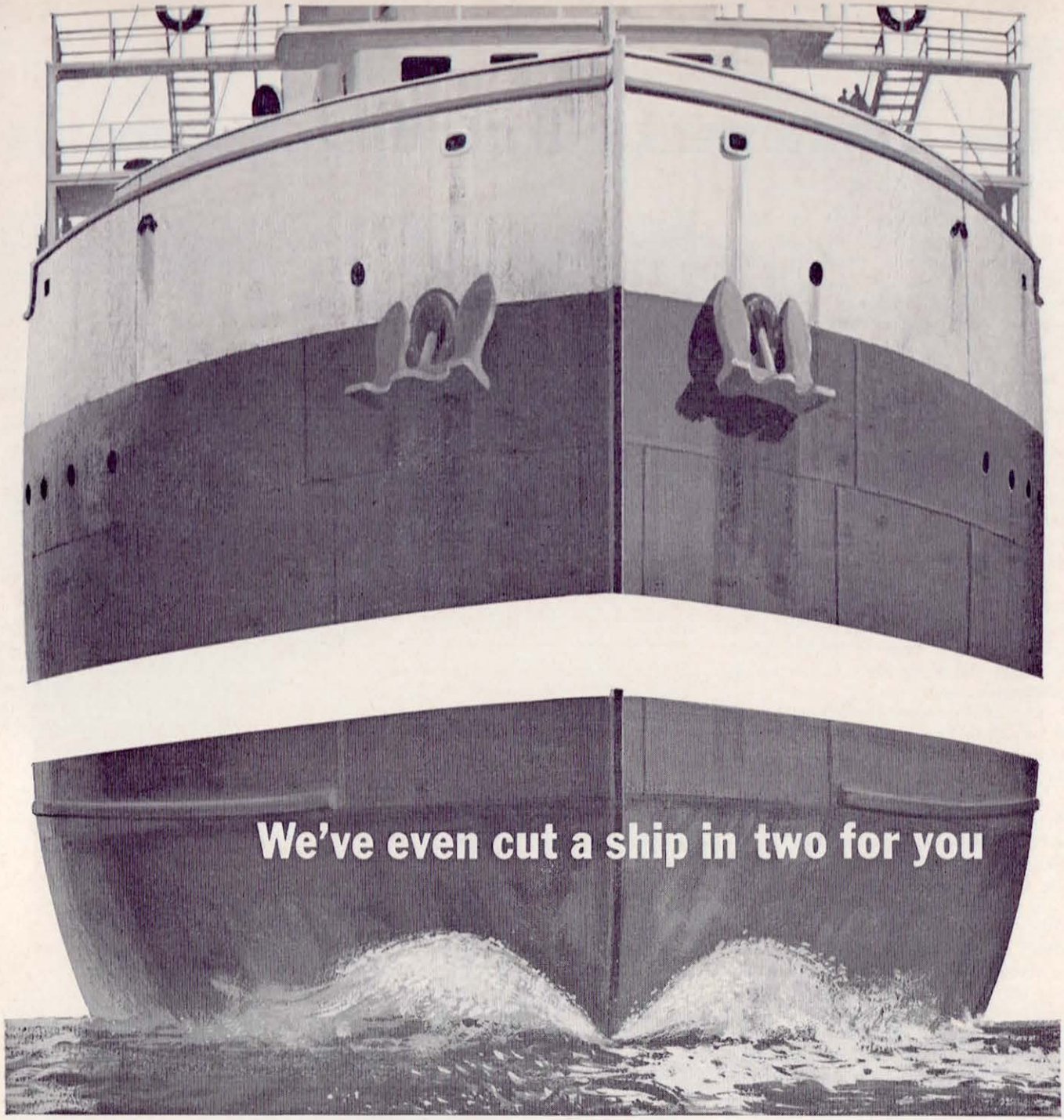
(*Department continued on page 47*)



STANDARD FLAT CAR, with modified deck, can handle 30,000 bricks, or brick equivalents, in 10 unitized lots of 3,000 each.



CONTAINERS can be handled to or from cars by lift or highway trucks, depending on distance involved. Loading and unloading are two-man operations.



We've even cut a ship in two for you

You're our customer. We're in business to move you and your things from here to there . . . rapidly and inexpensively.

That's why a ship weighing 2,945 tons (gross), the *Madison*, got split in half—lengthwise. The *Madison* plies Lake Michigan from Milwaukee to Muskegon as a link in the Grand Trunk Western Railway System. This 84-mile direct route speeds shipment by eliminating the long trip around the shoreline. It provides fast and efficient service.

For modern piggy-back truck trailer hauling, odd-shape machinery and tri-level auto carrier cars, it *used* to be too small. So we sliced the hull, stem to stern, and raised the 1,000-ton upper section 3½ feet.

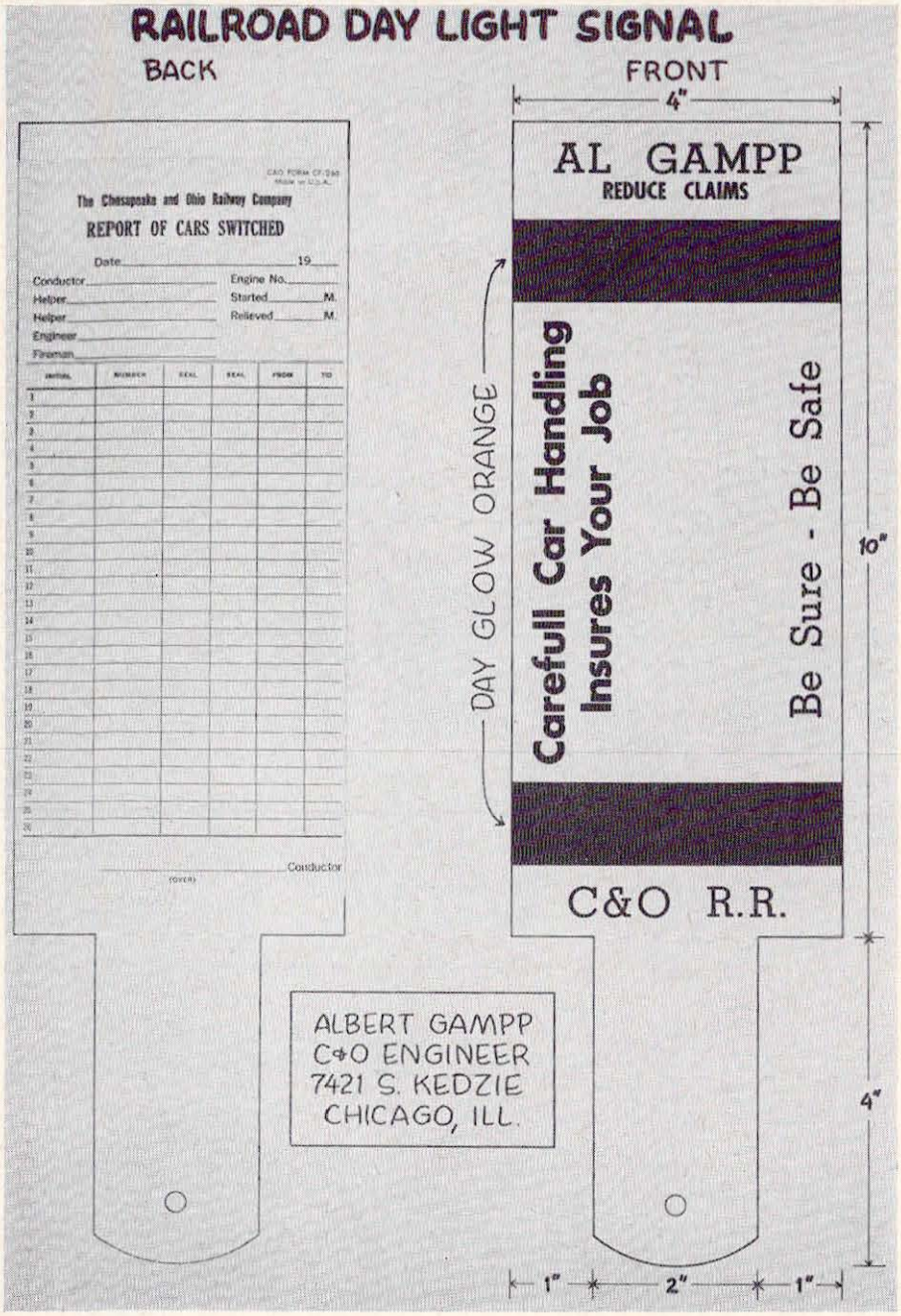
It was a tough enough job . . . done a half-inch at a time with 64 hydraulic jacks and a team of 425 men. But now we handle modern demands better than any other car ferry on Lake Michigan.

Unusual? Imaginative? In a way it's ordinary. This is just one of the many solutions GRAND TRUNK is finding to answer your problems in getting faster, more efficient transportation . . . for things and for people.

Harry A. Sanders, Vice President, General Manager

*Enjoy luxurious passenger service on these three famous trains: **The International Limited, Inter-City Limited** and **The Maple Leaf** between Chicago, Detroit, Toronto, Montreal and intermediate cities. There's no "whether" in the weather on a train.*

GRAND TRUNK RAILWAY SYSTEM GT



'DAYLIGHT SIGNAL' CAN CUT DAMAGE

A newly-designed "daylight signal" for railroad yard and switching crews could materially reduce freight loss and damage caused by improper car handling.

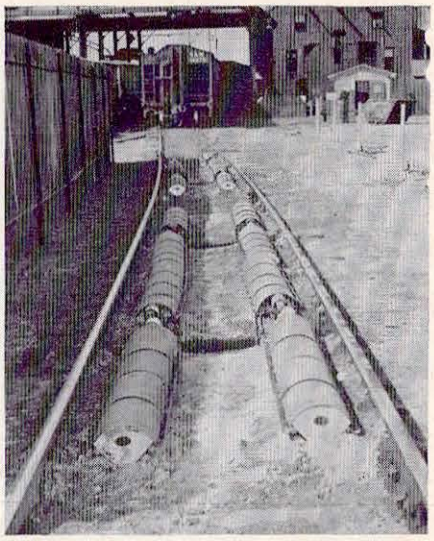
That, at least, is the practical and experience-tested opinion of Chesapeake & Ohio Engineman Albert Gampp, who designed the signal for use by his own crew.

The white-painted plywood panel is, Mr. Gampp believes, an important added safety factor for personnel, cars and freight, because "it has good visibility. As an engineman, I can see the signal even under conditions where I may not be able to see the man himself."

Mr. Gampp also points out that one side of the signal can carry a safety slogan, as a constant reminder to the user of the necessity for careful car handling; that the other side can serve as a convenient pad for a yard conductor to keep and fill out his switch list.

The signal itself is small enough and light enough in weight to be carried in a man's pocket, or, with a cord or thong looped through the hole in the handle, around a man's wrist. In that position, the signal is readily available, but both hands are free for other work.

Mr. Gampp displayed and explained his device at the annual meeting of the National Association of Shippers Advisory Boards in Buffalo earlier this month. To do so, he attended the convention at his own expense from his Chicago headquarters.



UNDER-CAR HEATERS

To insure continuity of coal supply even in sub-zero weather, the Colorado Fuel & Iron Corp. has installed, at Pueblo, a new type of gas-fired under-car heater which provides radiant and convection heat simultaneously.

CF&I's Pueblo plant is in the midst of an extensive expansion-modernization program, which has increased its need for steady supplies of coking coal regardless of season. Keeping the coke plant supplied between mid-November and mid-March may require thawing as much as 50,000 to 60,000 tons, in temperatures which can fall as low as —20 deg F.

Thawing previously was done with gas torches placed under the hopper cars. This method required up to four hours to thaw two cars enough to permit dumping; and led to increased costs from demurrage and damage caused by direct flame impingement.

The new method utilizes 16 "Radiarc" heaters, each rated at 500,000 Btu/hr, and arranged in two groups of eight to thaw two cars at a time. Thawing time has been cut to one hour for two cars, and demurrage and car damage have been eliminated.

The heaters, designed and built by the Hauck Manufacturing Co., Brooklyn, N.Y., are easy to install because they require no permanent foundation, fans, blowers or electric power.

Ingenious, integrated delivery to site speeds up South Dakota's Big Bend Dam

Hundreds of thousands of tons *of material will reach Big Bend by the combination you see here—rail, truck, and mobile equipment.*

A **UNIQUE** SYSTEM DEVISED BY OUR

CREATIVE CREWS

THE MILWAUKEE ROAD

America's resourceful railroad

The problem—transporting this tremendous amount of cement, sand, stone, reinforcing steel, and other materials and equipment to a dam site 25 miles from the nearest railhead.

The Milwaukee Road's Creative Crews solved the problem with a unique *unified* system of transport. It combines rail, trucks and mobile equipment for loading and unloading—all under one control and responsibility.

Material is brought to Chamberlain, S. Dak., by rail. Special equipment (like the cement loader, above) transfers it to trucks of The Milwaukee Motor Transport Company. At Big Bend, the material is delivered *across the Missouri River* via bridge to powerhouse and spillway sites. There, mobile cranes and other equipment, also provided by the Milwaukee's motor subsidiary, help unload aggregates, steel, turbines and machinery.

The result is a great saving to the shipper—and a considerable speed-up—in the construction of Big Bend Dam (sixth and last link in a chain of Missouri River Valley dams being built by the Army Corps of Engineers under the Pick-Sloan Plan).

The Milwaukee Road is using the same system at missile base sites along its lines. It is one more example of the way our Creative Crews work to improve what the railroads do best!

The Milwaukee Road, Union Station Bldg., Chicago 6, Illinois

...may save on your shipping costs, too!

Are you buying transportation at higher cost per shipment than you have to?

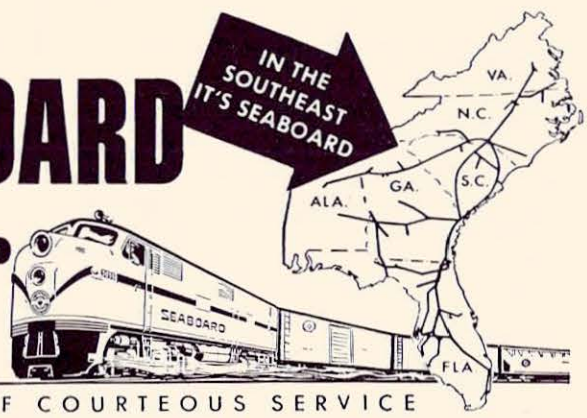
Many of those who "pay the freight" are finding that larger-tonnage and multiple-car rail rates make a big difference in over-all distribution costs. *And they're using many other modern railroad ways to cut expenses, too!*

Transportation is our business, tailored to fit *your* business. Let us give you today's complete Seaboard picture of rates, specialized rail equipment, including Piggyback, schedules you can count on, and friendly, personalized follow-through.

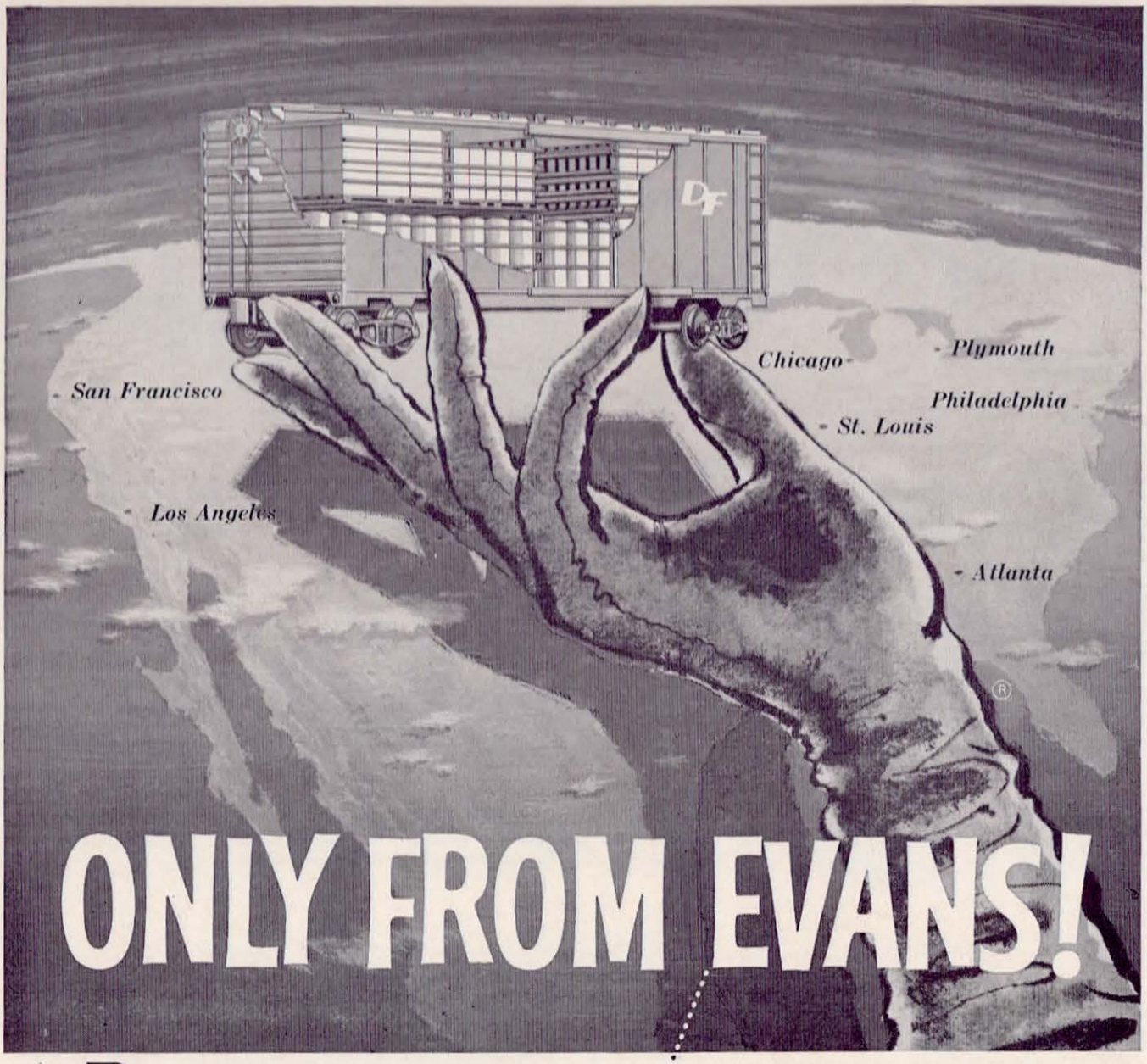
We'd like to see you soon. Just call your nearest Seaboard representative and name the date.

Seaboard Piggyback service connects many on-line points with Northern cities.

SEABOARD
AIR LINE
RAILROAD



THE ROUTE OF COURTEOUS SERVICE



DF EQUIPMENT — *The "Kid Glove Treatment®"*

NATIONWIDE SERVICE — *For Railroads and Shippers*

Only Evans has damage-prevention service centers nationwide. They're staffed with experienced loading engineers who are glad to show railroads and shippers how to use Evans-equipped freight cars to greatest advantage!

There's no extra charge to shippers for DF-equipped cars . . . and there's no extra charge to railroads or shippers for Evans on-the-spot consultation! If you have a transit damage problem, write Evans Products Company, Dept. E-10, Plymouth, Michigan.

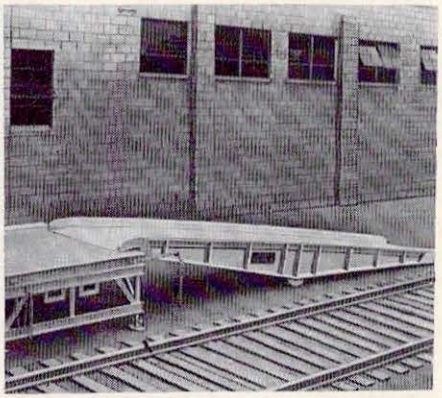
SERVICE OFFICES: Plymouth, Michigan; Philadelphia, Pennsylvania; St. Louis, Missouri; Atlanta, Georgia; Chicago, Illinois; Los Angeles, California; San Francisco, California. (Manufactured and sold in Canada by International Equipment Company, Montreal.)

Hallmark of Quality Products

EVANS PRODUCTS COMPANY
PLYMOUTH, MICHIGAN

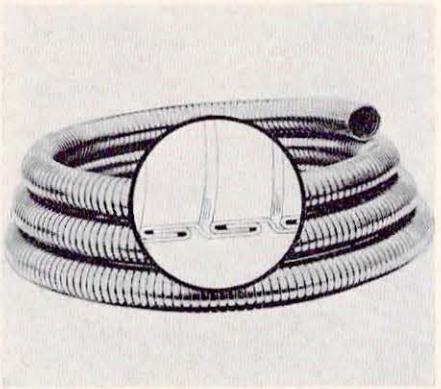
RAILROAD LOADING EQUIPMENT DIVISION

NEW PRODUCTS REPORT



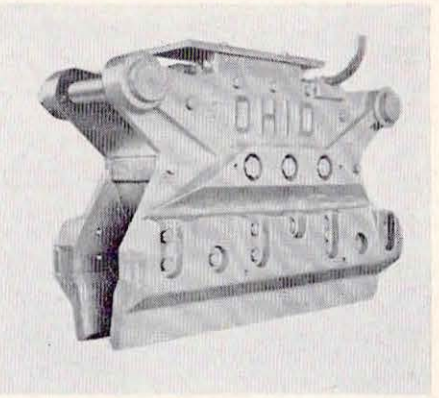
Loading Ramp (RA-1)

A portable magnesium platform and loading ramp combination facilitates ground-to-carrier loading where tracks, buildings or other obstructions prevent normal right-angle approach. The platform-ramp combination can be positioned directly alongside cars or trucks, with platform opposite side door opening. Power vehicles move up and down the ramp parallel to the carrier and make a normal 90-deg turn on the platform. *Magline, Inc.*



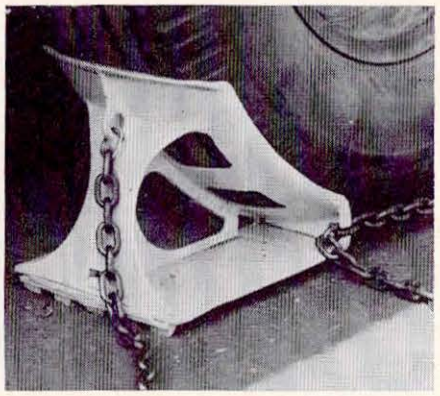
Metal Hose (RA-2)

An abrasion-resistant flexible metal hose is designed for gravity or pneumatic transfer of grains or other bulk materials where resistance to severe abrasion and corrosion is required. The hose is available in a wide range of weights, from low-cost standard to super, and with different types of linings. Couplers with mechanical clamp grips, or automatic lug grips for pneumatic transfer systems, also are available. *Universal Metal Hose Co.*



Lifting Magnet (RA-3)

A new bipolar lifting magnet of unusual versatility is available for handling steel structural shapes or pipe sections under many conditions, including railroad shops, yards and terminals. It can handle random lengths and sizes, which need not necessarily be carefully positioned, up to a total weight of 3,000 lb. It can be supplied, on order, to operate on any voltage. Pole shoes are readily replaceable. *Ohio Electric Mfg. Co.*



Wheel Block (RA-4)

The new WB-15 heavy-duty wheel block utilizes a unique engineering principle to hold vehicles securely in position at loading docks. A chain, anchored in the dock base or pavement, is pulled taut, and the closest link engaged in a chain retaining slot. When it is thus secured, any forward motion of the vehicle causes immediate purchase of ground-engaging calks which prevent further movement. *Calumet Steel Castings Corp.*

Improved Covering (RA-5)

What the manufacturer describes as "important cost savings and improved strength" of polyethylene protective coverings have been realized by use of lightweight, high-strength Avisco rayon. The coverings, use of which was previously limited by fatigue characteristics of reinforcing materials, can now be used to better advantage for packaging and also for protection of shipments during transportation. *Lamex, Inc.*

Bulk Material Hose (RA-6)

Special problems of heat and abrasion encountered in the handling of dry bulk materials by pneumatic methods have led to development of three new specialty hose constructions. One is a 3-in. high-temperature hose for air inlet service on pressurized transport vehicles. The other two (Dry-Bulk-S and Dry-Bulk-W) are 4-in. hoses for bulk haulers of powdered and granulated solids and at receiving plants. *Goodyear Tire & Rubber Co.*

RAILWAY AGE WEEKLY

30 Church Street, N.Y. 7, N.Y. READERS' SERVICE DEPT. (Att. George Johnson)

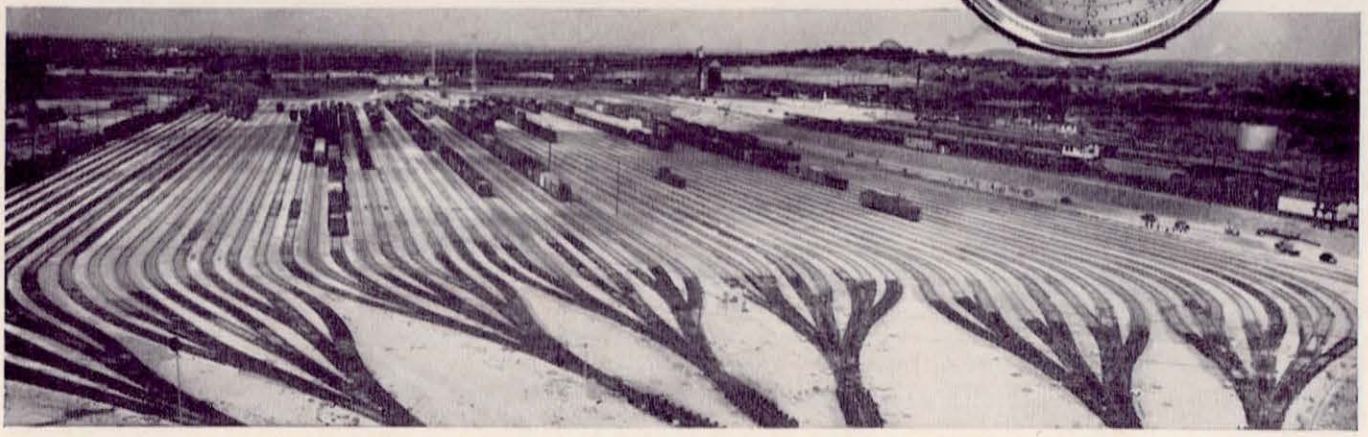
PLEASE SEND ADDITIONAL INFORMATION RELATING TO PRODUCTS RA-1 RA-2 RA-3 RA-4 RA-5 RA-6 RA-7 RA-8 RA-9 RA-10 RA-11

NAME ..... TITLE .....
COMPANY .....
ADDRESS .....
CITY ..... ZONE ..... STATE .....

10/30/61

CONTINUED ON PAGE 53

You need a stop watch to clock cars through an L&N push-button freight yard...



L&N's $50 Million Investment in Ultramodern Yards Cuts Classification Time from Hours to Minutes

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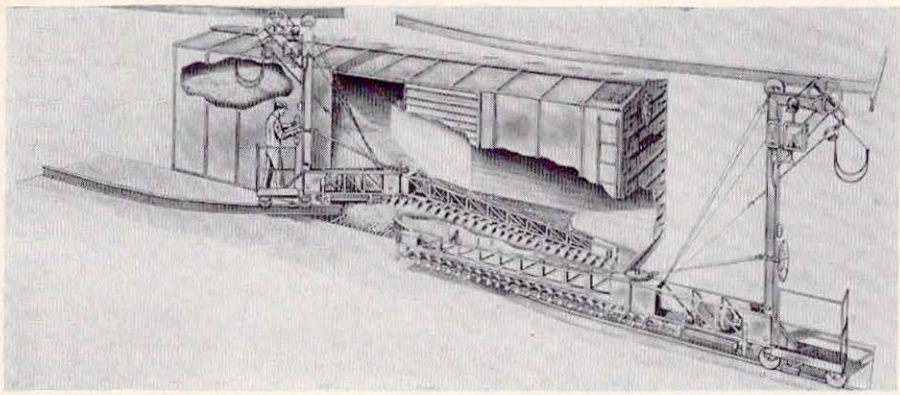
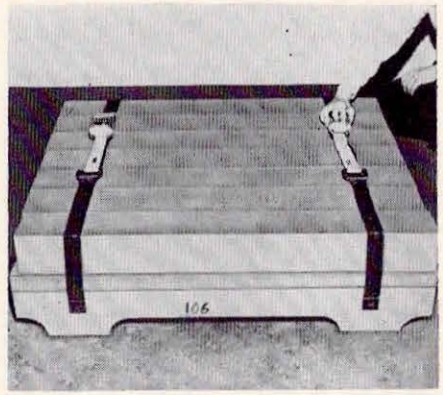


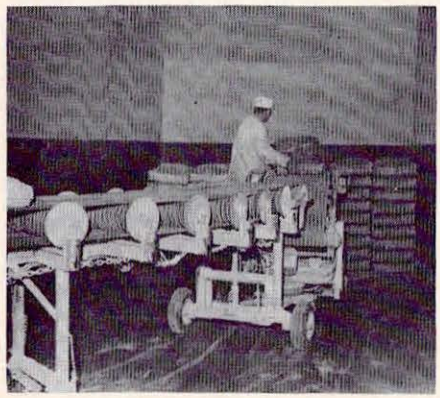
Grain Unloading System (RA-7)

An entirely new method of unloading boxcars carrying grain and similar granular products has been announced. It involves use of a new device, known as the Augermobile, which utilizes a moving double screw that pivots on a hinge to reach the blind corners of the car. Because of its simplicity, the manufacturer says, the Augermobile produces high-capacity unloading at costs below those of other systems. One man can operate the entire system, thus cutting labor costs substantially, compared with the costs of unloading done by power-shovel crews. The manufacturer claims that the Augermobile, when operated by one man, can completely unload an 1,800-bushel car in 17 minutes. However, two men, working simultaneously on opposite sides of the car, can cut the unloading time to 9 minutes. The Augermobile, according to the manufacturer, requires only a minimum of space and is so simple it can normally be handled by regular maintenance employees. *Andrews Machine Company.*



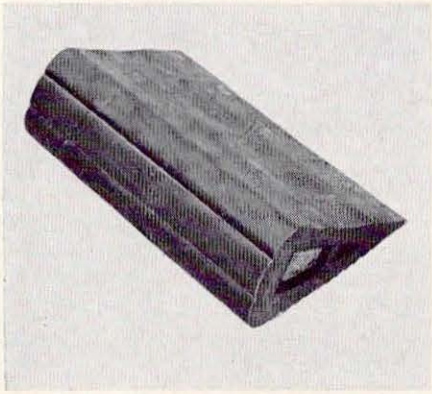
Metal-Mesh Strapping (RA-8)

A new type of flexible metal-mesh strapping can be used for binding palletized materials for transportation, in-plant handling or storage. A complete assembly consists of a pair of strap sections with plate attachments at one end for permanent bolting to a pallet, and handles with nylon strapping at the other end. To bind material in place, this nylon strap is inserted into a ratchet tightening buckle. *Cambridge Wire Cloth Co.*



Car-Loading Conveyor (RA-9)

A button-controlled Power Curve conveyor can carry all kinds of packages inside a box car, right up to the stacking point. With up-and-down or side-to-side movement, it permits one-man loading or in-car palletizing. It can be used with a system of similar conveyors to carry packages all the way from packing station to loading point on spring belts over grooved rollers. *Power-Curve Conveyor Co.*



Safety Wedge (RA-10)

Danger of personal injury or property damage from accidental rolling of heavy objects can be avoided by proper use of the Shelley safety wedge. Made of heavy rubber, with a ribbed tread to grip the floor, the wedge has a resilient top surface that fits itself to the curve of the roll or cylinder. Typical uses include holding rolls of paper, pipes, drums or cylinders, or stacking those objects. *John G. Shelley Co.*

Cargo Lifter (RA-11)

A new cargo loader, with rated lifting capacity of 70,000 lb, is reported to be the largest and most mobile of its type operating on pneumatic rubber tires. The first "Super 70," controlled by one man, is now being used by the Alaska Railroad at Seward to load and off-load cargo containers from ships to storage and from storage to flat cars or trucks. Lifting height exceeds 17 ft. *Transitier Truck Co.*

RRs CAN COMPETE FOR BULK COMMODITIES, TOO (*Continued from page 20*)

Already under serious study by a group of eastern and southern railroads (RA, July 3, p. 26) is a so-called "integral train"—a fixed-consist, bulk-hauling unit, with cars and motive power semi-permanently coupled. Such a train, its proponents believe, "holds promise of overall terminal-to-terminal speeds unobtainable by any other form of bulk-commodity transportation," at such sharp reductions from present costs that arbitrary rate differentials in favor of water lines could no longer be economically (or even politically) justified.

Initially, at least, equipment of this type would probably be limited to heavy-volume shipments, on a regular basis, of a single commodity between one originating area and one consuming area. It would presumably be designed for highly intensive use over a relatively short period, compared with the present general practice of using cars more or less intermittently over a long period.

Some advocates of the integral train are optimistic enough to visualize extension of its basic principle to any regular movement, even of small quantities over short distances; to movements of goods not now normally handled in more than carload lots; and to combination routings of compatible commodities.

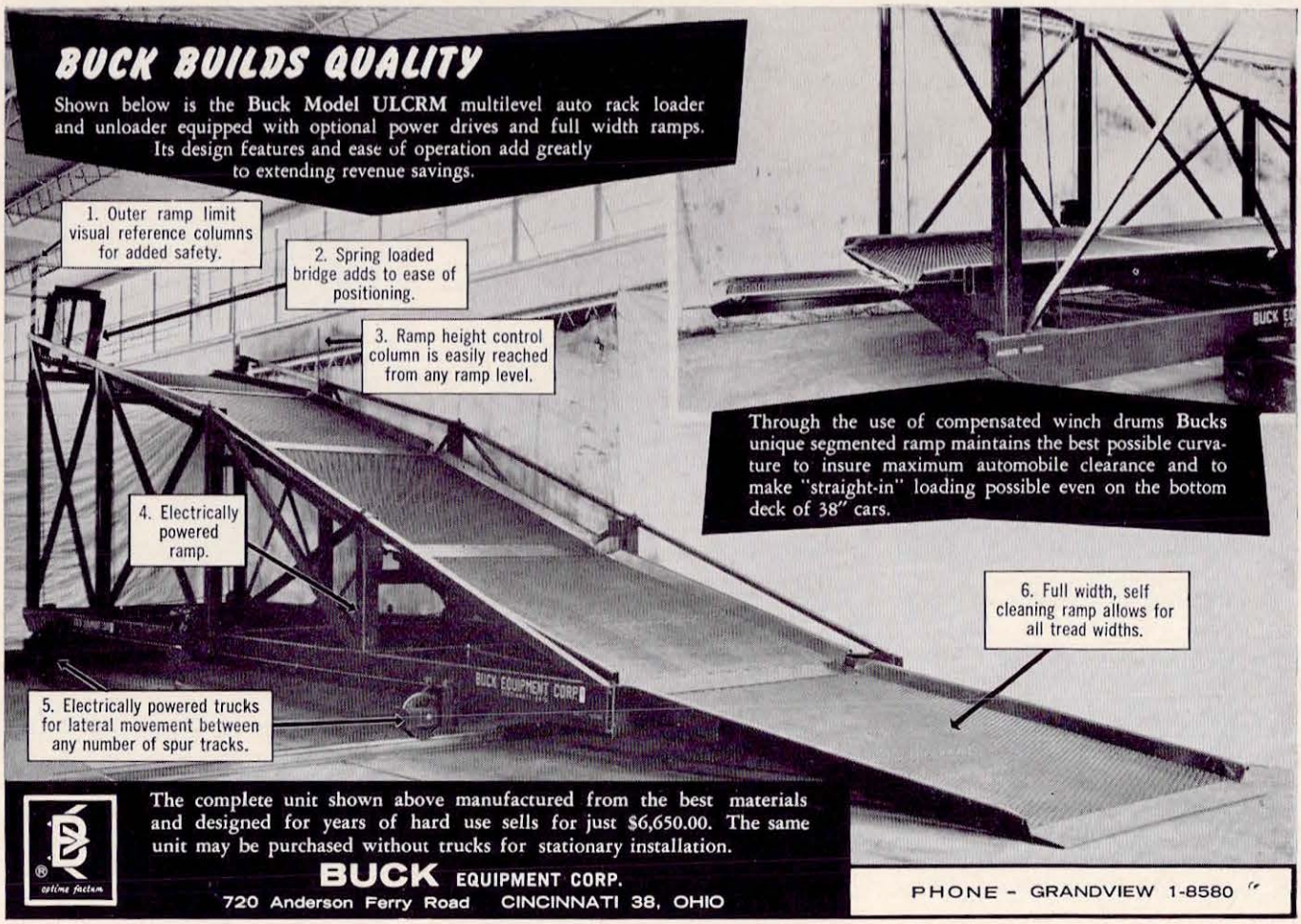
An economic report on the feasibility of an integral train for a number of selected operations is expected in 1962.

Meantime, some railroads are successfully applying the essential idea of the integral train with present equipment. The Southern, for example, has assigned a number of its new high-capacity aluminum gondola cars to regular movement of coal from Parrish, Ala., to Wilsonville (RA, Aug. 28, p. 24), in an operation which bears many of the earmarks of an "integral train." Some TOFC services, utilizing standardized Trailer Train or Flexi-Van cars of the same approximate age, might almost be termed "quasi-integral" trains.

The Southern, too, has recently proposed drastic rate cuts on multi-car shipments of grain from Mississippi and Ohio River gateways to southeastern destinations. The new rates, predicated (to the anguished horror of water carriers) on operating economies made possible by the railroad's new 90-ton aluminum hopper cars are currently under suspension interstate; are in effect, intrastate, in Georgia. Their very proposal, however, offers strong proof of the railroads' technological ability, government action permitting, to meet water competition.

That ability can be used to meet water competition wherever it exists—on the Mississippi or its tributaries, on the seacoasts or between them, or on the Great Lakes. It can be used also to meet competition of pipe lines—existing or proposed. The "integral train" idea was sparked, in fact, by the Detroit Edison Co.'s expressed interest in building to the Detroit area a coal pipe line similar to that now serving Cleveland. (Pipe line competition, it should be noted, is on a far fairer legal basis than water competition—but is just as serious from a traffic standpoint.)

Adding all the facts together: Railroads *can* compete for bulk traffic against both waterways and pipe lines—"If!" There is good ground to hope that the answer may soon become "Yes."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Governors Told of Eastern Difficulties

► **The Story at a Glance: Governors —or their key transport aides—from 16 Eastern states assembled in New York last week to examine in detail the serious problems of their railroads. The meeting was arranged by an executive committee of the Governors' Conference, under the chairmanship of Governor Wesley Powell of New Hampshire (RA, Sept. 18, p. 54).**

On hand for the railroads were top officers of 30 eastern roads, plus the president of REA Express and the chairman of the Eastern Railroad Presidents Conference.

Eastern railroads had their day in court last week. Asked by governors of the 16 Eastern states to participate —along with rail labor leaders—in a conference with the governors on the serious railroad situation and its causes, the Eastern roads made these points:

- There is a real threat to the ability of some roads in the Eastern District to continue in private ownership. The New Haven is already bankrupt.
- Other lines may be faced with a similar situation unless substantial improvements in volume and earnings occur before long.
- What has already happened, and is continuing to happen for many Eastern District roads, presents a problem to the public authorities in that territory.

These points, of course, have been made before. But the "atmosphere" of the railroad meeting with the eastern governors gave a strong appearance of encouragement to the railroad cause. The governors listened carefully—and their comments, in the discussion period following the formal presentations, suggested that many of them were favorably impressed with the evidence presented to them. More than one of the governors were explicit in their statements as to the indispensability of rail service to their states, and their willingness to try to help improve conditions.

No formal conclusions were drawn. But the sense of the meeting seems to be that if the eastern railroads—management and labor—agreed on a program and enlisted public support for it, the governors would help implement it.

The results of the conference are scheduled to be discussed by the executive committee of the National Conference of Governors at its meeting Nov. 10 in Chicago. At a later meeting in January, the governors' executive committee expects to make recommendations for a course of action to all members of the governors' conference.

Present at the opening session, with Governor Powell of New Hampshire presiding, were Governors Carvel of Delaware, Welch of Indiana, Reed of Maine, Tawes of Maryland, Volpe of Massachusetts, Swainson of Michigan, Powell of New Hampshire, Meyner of New Jersey, Rockefeller of New York and Notte of Rhode Island.

The governors of Connecticut, Illinois, Ohio, Pennsylvania, Vermont and West Virginia, unable to attend, were represented by members of their staffs.

Railroad presidents listed as in attendance were: V.H. Johnson, Akron, Canton & Youngstown; H.H. Pevler, Ann Arbor and Wabash; Jervis Langdon, Jr., Baltimore & Ohio; W. Gordon Robertson, Bangor & Aroostook; P.B. McGinnis, Boston & Maine; E. T. Moore, Central of New Jersey; W.J. Tuohy, Chesapeake & Ohio; William White, Delaware & Hudson; D.E. Smucker, Detroit, Toledo & Ironton; M.G. McInnes, Erie-Lackawanna; H.W. Quinlan, Lehigh & Hudson River; T.M. Goodfellow, Long Island; C.A. Bick, Monon; A.E. Perlman, New York Central; F.S. Hales, Nickel Plate; R.E. Sease, New York, Susquehanna & Western; S.T. Saunders, Norfolk & Western; A.J. Greenough, Pennsylvania; J.W. Barriger, Pittsburgh & Lake Erie; R.N. Shields, Pittsburgh & West Virginia; E.P. Gangewere, Reading; W.I. Ginsburg, Rutland; J. Russel Coulter, Toledo, Peoria & Western; and W. Arthur Grotz, Western Maryland.

Also present were Trustee R.J. Smith of the New Haven, W.B. Johnson, president, REA Express, and David I. Mackie, chairman, Eastern Railroad Presidents Conference.

Represented by other officers were the Bessemer & Lake Erie, Lehigh Valley, Maine Central and Union Railroad Co.

Leading off for the railroads, Allen J. Greenough, president, Pennsylvania, spoke on the "Economics of the Present Situation."

"My responsibility this morning," Mr. Greenough told the governors, "is to give you a broad picture of the truly critical situation of the Eastern District railroads, to explain how that situation has come about, to emphasize the effect that it is having on the states we serve, and to outline what we are trying to do about it. The Eastern Railroad Presidents Conference has prepared a mass of detailed and documented material on these points . . . which has been furnished you. While many of you have given considerable attention to one or more phases of the current railroad situation, particularly the aspect of passenger service in metropolitan areas, we believe that these documents are the first to fully cover all aspects of the situation, in the 16-state area represented here today.

"This material demonstrates four principal things:

"First: the railroad situation in the East is a real public crisis—one that has been building up for some time. Many important roads are now in worse shape than they were during any time during the depression of the thirties. . . . This is not a temporary condition, and it is not going to miraculously disappear. It threatens not only railroad employees, customers and investors, but also the entire economy in our section of the country. It is so big and serious that it demands, in our opinion, prompt and effective action at the highest levels of government.

"Second: the situation is primarily the result of outmoded and discriminatory government policies. The railroads are treated as a monopoly which they have long since ceased to be. At the same time government has promoted a vast network of facilities for other modes of transport, has directly or indirectly assisted carriers using those facilities, and has allowed many of them to operate with little or no regulation. In the face of these inequalities of treatment, railroads still remain the essential backbone of freight transport in this country. Under the circumstances, only an industry having basic economics in its favor could have survived in private ownership. But this cannot continue any more than our country a century ago could endure half slave and half free. The situation today cannot be solved without a complete reversal of the many mistaken government policies and attitudes which have done so much to cause it.

"Thirdly, and contrary to what some people believe, the railroads have done a great deal to help themselves. On this point," Mr. Greenough told the governors, "the presentation contains much information which I think may surprise some of you. However, there are severe limitations on our self-help. These are imposed, as I have said, by the antiquated government regulations we are

'It CAN Happen Here'—Holcombe Parkes

"Nationalization is a dirty word. We all avoid it whenever we can. We try to blot it out by saying to ourselves: 'It can't happen here.' . . . Yet nationalization of the railroads is . . . breathing down our individual and collective necks."

Railway Progress Institute President Holcombe Parkes sounded this warning in a speech before the Railway Club of Pittsburgh Oct. 18.

Mr. Parkes noted that suggestions of nationalization are cropping up with increasing frequency.

"In Washington," he said, "the socialist and collectivist termites are crawling out of the wood every day, having done their dirty work of weakening the foundations of our national transportation systems. One does not have to have big ears there to overhear many a conversation about who will get what job when the government takes over."

The RPI president cited two "very present dangers" of nationalization:

"One is the possibility of war or of stepped-up preparation for war. In either case, the railroads would again be called on to handle the bulk of the military freight and most of the organized troop movements in this country. . . . Do you think that the railroads could again double their freight traffic and quadruple their passenger traffic in the event of a national emergency, as they did between 1939 and 1944? The answer, I fear, is obvious; the government could be forced to step in to save its defense effort from complete collapse due to inadequate transportation services.

"Another pressing danger of nationalization stems from the possible financial collapse of any important part of the railroad industry as we know it today. With our present delicate situation in federal finances, government simply cannot let any sizeable segment of the railroad industry go into bankruptcy. We, as a nation, can no longer afford to let a segment of the economy which puts 8½ billion dollars into circulation per year 'go through the wringer'."

In Mr. Parkes' view, "it's high time that we, all of us in, or associated with, the railroad industry quit tip-toeing around this subject of transport nationalization and begin 'laying it on the line'. Either the railroads get the relief they have been asking for or it's government ownership and operation. . . . The Congress and the Administration need to be told this . . . in no uncertain terms. The public needs to be warned. And I fear that I must also add: Many a railroad man and many a supplier need to have their noses rubbed in the unpleasant possibility of having to go to work for Uncle Sam."

Mr. Parkes then suggested a "first step" away from the trend toward nationalization: "The development, within the railroad industry itself, of real unity; of a willingness to compromise for the good of all; of a deep understanding that, after all, the railroads are really ONE; of a universal willingness to weigh all questions, not on the scale of 'is this good for me and my railroad,' but 'is this good for my industry'. . . . No one railroad can stand alone in the crisis."

compelled to operate under, the jungle of unfair competition that government has built up around us, and the resulting severe decline in our financial situation.

"Fourth: Any real and lasting solution to our critical problems must begin with prompt and major reform of government transportation policies. The railroads just cannot do the job alone. Nor will it be done through improvement of general business conditions or some minor changes in transportation regulations and laws. Our hope here, today, is that you gentlemen, as leaders of the Eastern states, where these handicaps and restrictions have been most onerous and most damaging, will help us obtain the necessary relief."

Mr. Greenough then described point by point, the documentary evidence underlying his statements, using as source material a 158-page collection of statistical and graphic exhibits, copies of which were distributed to each governor.

"The picture, that comes out of all this material," Mr. Greenough said in conclusion, "leads to the very clear conclusion—that to strictly regulate the railroads in 1961 as though they were still a monopoly, and at the same time to actively promote most other forms of transportation while leaving them largely unregulated, just does not make sense. The results of such policies are inescapable. They have now caught up with us in the Eastern states. The combination of help for our competitors and restraints on us means that instead of growing and creating business and jobs, your railroads are going rapidly in the opposite direction, and in doing so undermining the economic future of your entire areas.

"However, this analysis of our critical situation and its causes need not necessarily cause us to despair. Two things are clear. First, from the standpoint of fundamental economics, the railroads are still the most efficient form of transportation and second, their present difficulties are due solely to the many artificial handicaps under which they have been forced to serve."

Jervis Langdon, Jr. president, Baltimore & Ohio, presented material on the "Effect of Subsidized Competition and the Need for Adequate User Charges."

"Competition among railroads," Mr. Langdon said, "is [now] largely incidental. The competition now going on is among different forms of transportation. Some are subsidized directly; others are subsidized indirectly. Some are free of all regulation; others are exempt in part. Two forms, railroads and pipelines, pay their own ways. Only one, transportation by railroad, is also closely regulated by the federal government."

When railroads lose competitive business to a subsidized competitor, like a barge line, Mr. Langdon pointed out, four things happen: the shipper does not pay for the cost of his transportation; the railroad unit costs are increased on its remaining traffic; railroads, with earnings declining, are less able to help support local government activities through tax-paying ability; and the competitive form, with subsidy forgotten, is accepted as the "low-cost" form of transportation by the ICC and thus entitled to preferential treatment over the "higher cost" rail transportation.

ERPC Chairman David I. Mackie, speaking on "Unfair and Discriminatory State and Local Taxation," called attention to three kinds of discrimination practiced against the railroads. The first, he said, is taxation of railroad right-of-ways as opposed to the exemption from taxation of other highways of commerce —airways, waterways and highways. The second, he described as "the studied and deliberate practices of assessing railroad property at a proportion of full value substantially higher than other property subject to the same tax rates," and the third, as "the methods used in many states in determining the so-called

full value of the property to be assessed."

"The financial condition of the carriers in the East is so bad," Mr. Mackie said, "that they can ill afford to carry any one, or much less, a combination of these three discriminatory tax burdens." As evidence, Mr. Mackie pointed to the earnings for the 35 member roads of ERPC for the first eight months of 1960 compared with 1961. The roads earned $44,479,285 in the 1960 period. They lost $75,139,852 in the same period in 1961. "I know of no figures," Mr. Mackie said, "that more eloquently plead for equality of taxation and equality of competitive opportunity. . . "

Present trends of governmental attitude toward transportation are likely to lead, by 1975, to a national transportation system based on private rather than common carriage, President A. E. Perlman of the New York Central told the conference, in presenting railroad views on the "Effect on the Railroads of Private Carriage and the Agricultural and Bulk-Commodity Exemptions."

To strengthen the common-carrier system and reverse the trend toward private carriage, Mr. Perlman said, the "first and most important step" is to "let the common carrier become a true transportation company, free to provide transportation by rail, highway, water, or air, which will best meet the needs of its customers."

A second step, he added, would be reexamination of the agricultural commodity exemption in the Interstate Commerce Act, which over the years has been so broadened that the exempted list far exceeds the intent of the original legislation. "Why," Mr. Perlman asked, "should a man who manufacturers pianos buy a refrigerated truck so he can bring back an exempt commodity?"

Perry M. Shoemaker, chairman of the board, Erie-Lackawanna, spoke on "Commutation-Suburban Service." Describing the studies of this problem that have been made over "a period of the last thirty years," Mr. Shoemaker commented, "no permanent solution has been developed to the problem of the financial losses involved for the railroads in providing such service, although the results from the initial steps of one or two programs give grounds for optimism if and when they can be fully implemented."

If, Mr. Shoemaker said, "it is true that efficient mass transit is necessary for the future development of our larger metropolitan areas, and it is accepted that the pure economics of costs and results dictate the preservation and improvement in rail transportation rather than the continued expansion of highway facilities," there are several fundamental points that the states and communities involved should accept and implement. These included, he said:

- "Recognition that the primary responsibility for suburban commuter transportation, as a local public service, rests with the state and local areas that are affected," with regional authorities where more than one state is involved.
- "The role of the Federal government in this problem is one of planning. In limited areas, it may involve coordination with redevelopment. It is appropriate for either local or federal funds, or both, to be used for such a coordinated program.
- "Recognizing that suburban commuter transportation is no less a broad community service than fire and police protection and water supply, the quantity and quality of such a service should be controlled by local needs.
- "The economics of suburban commutation service can be improved by the use of modern equipment tied into integrated planning with respect to frequency of train stops, supporting parking areas, coordinated bus transportation and municipal ownership of stations.
- "Consistent with its public service characteristics, there should be no taxes of any kind with respect to commutation and suburban operations, including the property and facilities in connection therewith.
- "Capital requirements for modernized equipment and facilities cannot be met from deficit-producing operations but must come from public sources.
- "Railroad management on the one hand, and employees on the other, have the responsibility of achieving such labor-management relationships as will provide fair wages and working conditions on one side, but minimized labor expense on the other.
- "Management has over-riding responsibility for the safety of its passengers. Its expenditures in support of commutation and suburban service must relate to standards of track, facility and equipment maintenance, which insures its obligations in this respect being prudently met. . . . "

Stuart T. Saunders, president, Norfolk & Western, concluded the railroad presentation with a discussion of "Importance of the Railroads to the Eastern States."

"It only remains for me," Mr. Saunders said, "as the last speaker to emphasize the importance of the railroads to the eastern part of our nation and the stake that all of us in this area have in the solution of the problems we have heard discussed today."

Transportation accounts for about 20% of our gross national product, Mr. Saunders pointed out, with a substantial portion generated by the railroads.

"At the end of 1960, the railroads in the Eastern District," he said, "including the Pocahontas lines, had a net investment in road and equipment of $11.3 billion, which represents $209,000 per mile of road and $33,700 per employee. Few other indus-

'Survival'—A Special Report

Railway Age for Dec. 4 will feature a special report to the U.S. Congress. It will talk about U.S. survival—not the survival of the railroads, but the survival of the nation itself—in the event of an economic war (already being waged on a modest scale), a "conventional" war, or a nuclear war. Railway Age will emphasize the part that the American railroads can, and must, play in national survival.

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As a subscriber you can help, too. When you are through with this issue, pass it on to a neighbor. If every subscriber does, some 14,000 people next door throughout 50 states will also receive this message so vital to our nation, and to our industry.

Reprints will of course be available for distribution to shippers, state legislators, local newspaper men, service club members, etc. Dec. 4 is an issue you won't want to miss and one that should do the railroad industry a lot of good.

Robert S. Lewis

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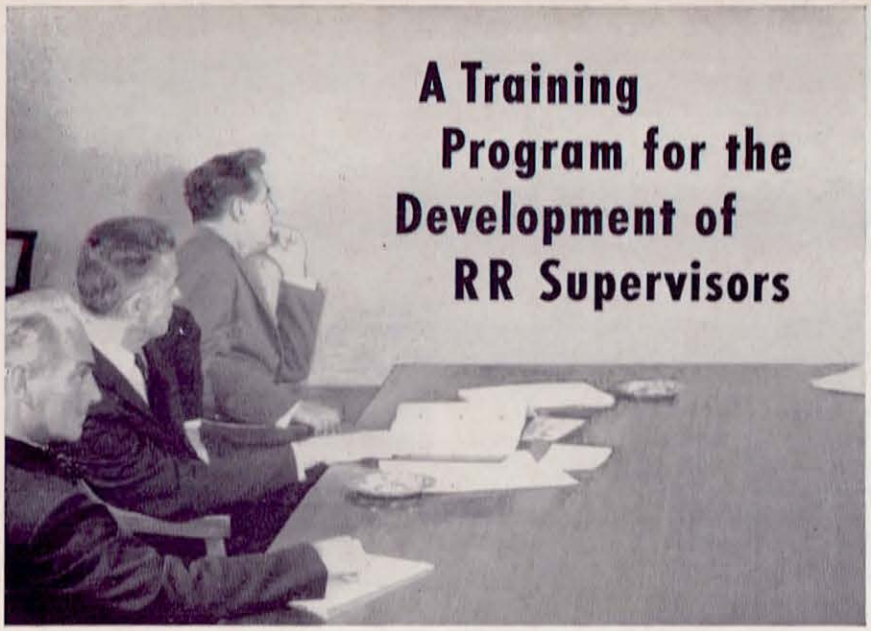

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tries in the East have capital investments of this magnitude—investments which last year made possible railroad payrolls of the eastern lines of $2.1 billion, capital expenditures of $266 million, and purchases of fuel, materials, and supplies of almost $560 million. Moreover, in 1960 the eastern railroads employed 336,000 people, most of whom were heads of households and provided the chief means of support for their families.

"This employment and the expenditure of the sums referred to above for capital improvements and fuel, materials and supplies in turn made possible the employment of many thousands of others in related industries as well as in service and retail businesses far removed from the railroad field.

"But," Mr. Saunders continued, "this is not the impact of a healthy industry; it is the impact of a sick industry. Our speakers today have made it clear that the railroads in the East have been going steadily downhill for some time and that only determined and imaginative action can return them to anything approaching their former strength. . . . As an established industry [if they were able to surmount the obstacles of unfair and discriminatory regulation, excessive taxation, and subsidization of competitors] they could immediately pump more money into the area through increased payrolls, capital expenditures, and material and supply purchases which would be an important stimulus to further economic and industrial growth."

Following a question and answer period, Michael Fox, vice chairman of the Railway Labor Executives' Association and president, Railway Employees Department, AFL-CIO, opened the afternoon session with labor's presentation.

Railway labor, Mr. Fox told the governors, considers the "major transportation problem of the nation today" to be "the current shortages of adequate transport facilities . . . and the certain spread of such shortages in the immediate future unless we do something about it now." Mr. Fox cited the vast "outlook for population growth and industrial expansion in the nation" to support his contention that "railroads are a growing industry," not a "dying or even declining industry."

On hand with Mr. Fox were A. E. Lyon, executive secretary, RLEA; George M. Harrison, president of the Clerks; H. E. Gilbert, president, BLF&E; W. P. Kennedy, president, BMWE; E. J. Hickey, Jr., counsel, RLEA; and Eli Oliver, RLEA economist.

E-L 'May' Join N&W Family

► **The Story at a Glance: Erie-Lackawanna has withdrawn its opposition to the proposed N&W-NKP-Wabash unification on the strength of a promise that E-L itself may one day be invited to join the N&W family. N&W and NKP, which last spring rejected E-L's plea for inclusion in the present consolidation plan, have now agreed to consider "some form of affiliation" with E-L—provided it would offer all stockholders concerned the prospect of better earnings.**

From the presidents of the Norfolk & Western, Nickel Plate and Erie-Lackawanna last week came a carefully-worded statement announcing an agreement that could lead to the inclusion of E-L in the N&W system.

If the ICC approves a pending proposal for unification of N&W, NKP and Wabash, said the statement, "the N&W and the Erie-Lackawanna will enter into consultations and negotiations in an attempt to find a plan for some form of affiliation between the Erie-Lackawanna and the enlarged N&W system. . ."

Such an affiliation plan, the statement added, would have to be "in the public interest and mutually advantageous to the two companies and the owners of their securities."

In return for this pledge, E-L agreed to withdraw its objections to the present N&W plan. (Six months ago E-L asked to be included in the N&W proposal, declaring that a broad plan was afoot to integrate the Pennsylvania, Lehigh Valley, N&W, NKP and Wabash. N&W and NKP turned down the idea, declaring that E-L's fears were based "on fancy rather than fact.")

The agreement announced last week commits N&W to invest "not less than $1 million" and NKP "not less than $500,000" in E-L securities prior to Dec. 31, 1962. These securities will be retained until Jan. 1, 1966, unless the ICC, in the meantime, rejects the N&W-NKP-Wabash proposal.

"Effectiveness of the agreement," according to the joint statement last week, "is also conditioned upon execution of an agreement, already approved by the boards of directors, between the Nickel Plate and the Erie-Lackawanna to construct and operate jointly a new yard at Buffalo, N.Y. This project has been under consideration for some time and the joint use of such a facility by the consolidated Norfolk & Western system and the Erie-Lackawanna would be highly beneficial to all participants, regardless of what other plans are developed by the Erie-Lackawanna."

(This was the first public announcement of NKP participation in the Buffalo project. E-L announced last July the beginning of construction of a 49-track, $7.5-million yard at Buffalo.)

A formal statement of the three-road agreement will be made when the ICC resumes hearings on the N&W-NKP-Wabash plans in Washington Oct. 30.

The announcement of the agreement, signed by Presidents S. T. Saunders of the N&W, F.S. Hales of the Nickel Plate, and M. G. McInnes of the Erie-Lackawanna, emphasized its conditional nature.

"Whether a workable [affiliation] plan can be found," said the statement, "depends upon a number of factors, including the financial condition and prospects of the Erie-Lackawanna at the time negotiations are undertaken and the value of the contribution which the Erie-Lackawanna can make to the enlarged N&W system."

The statement noted that Erie-Lackawanna began operating as a combined system in October, 1960, adding: "Because of court proceedings involving labor protective provisions, the E-L has as yet been able to realize only a fraction of its projected merger savings of more than $13 million. Erie-Lackawanna management, however, is confident that the estimated savings, and perhaps more, can be realized at an accelerated rate, although it will be some time before they show up in the company's operating results. If this can be done, prospects of developing a plan will be improved greatly.

"The parties have agreed that a plan of affiliation could be made effective only if it would result in strengthening the quality of the securities of both railroads and only if it offers to the stockholders of both railroads the prospect of increased earnings."

In a letter to N&W shareholders, President Saunders emphasized that "N&W, for its part, has no intention of agreeing to any plan of affiliation with the Erie-Lackawanna which does not meet these criteria."

He also said that the three-road agreement "provides that if any dispute arises as to whether the N&W or the Erie-Lackawanna is conducting consultations and negotiations in good faith, that question may be submitted to arbitration. However, the arbitrator will have no authority to prescribe or recommend any plan of affiliation or any financial, operating or other commitment of any kind . . ."

For the first nine months of 1961, Erie-Lackawanna operated at a deficit of $23,913,940—but President McInnes told employees in the October issue of the Erie-Lackawanna magazine: "I feel confident we have turned the corner and can look forward to more favorable times ahead."

Henschel Seeks U.S. Market

A 4,000-hp diesel-hydraulic locomotive, presently being developed as a prototype for the largest of the standardized German Federal Railway road units, will be made available for testing by U.S. railroads. The announcement was made in New York on Oct. 24 by Dr. Fritz-Aurel Georgen, president of Henschel-Werke G.m.b.H of Kassel, West Germany. The locomotive is now in the development stage.

Earlier in October it had been announced that this West German manufacturer of locomotives, trucks and other capital goods is to be converted into a publicly held corporation on Jan. 1, 1962 with a group of U.S. investors holding 44% of the capital stock.

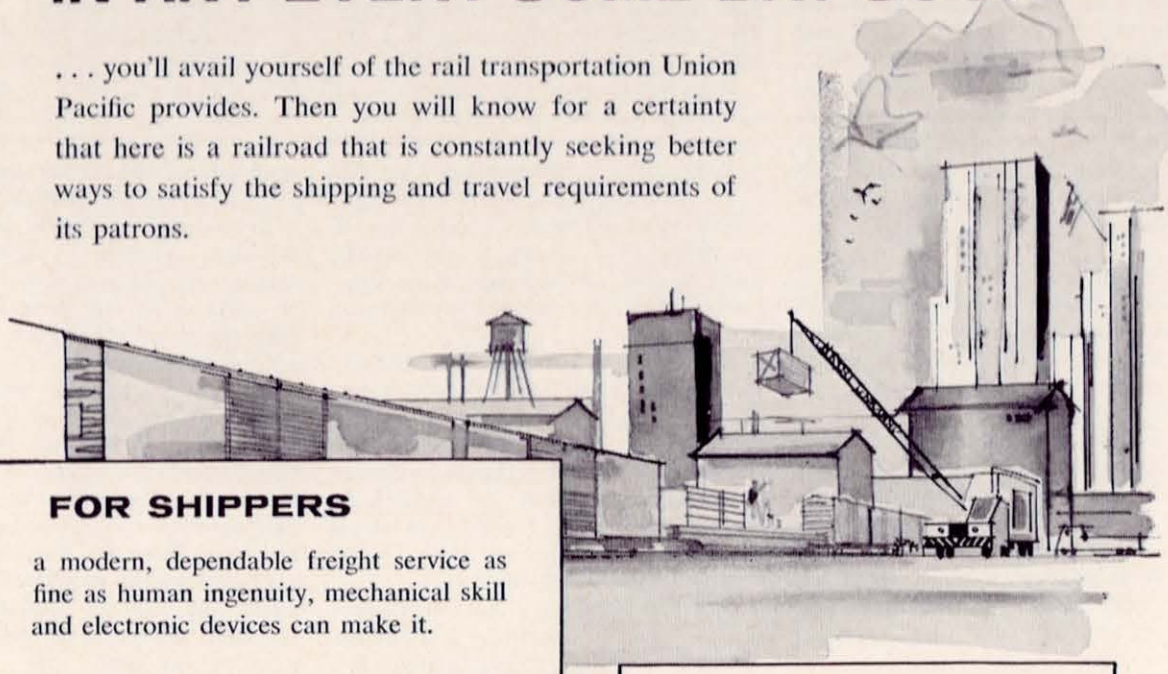
The diesel-hydraulic locomotive, 75 ft 6 in. over couplers, will be powered to a pair of supercharged Daimler 16-cylinder, V-type diesel engines. The 133-ton locomotive, which the German Federal Railway designates as its Type V320, is equipped with a pair of three-axle trucks. Each truck is individually powered by one of the engines through a Voith hydraulic transmission; top locomotive speed is 100 mph. The locomotive is to be fitted with a steam generator for passenger train heating.

The ability of a German locomotive builder to enter the U.S. road locomotive market was demonstrated last weekend as the Norwegian freighter Christian Smith arrived in Houston, Tex., with the six 4,000-hp diesel-hydraulic road freight locomotives ordered two years ago in West Germany by the Southern Pacific and Denver & Rio Grande Western (RA, July 24, p. 20). These units, tailored specifically for the U.S. application, were built by Krauss-Maffei in Munich. They have Maybach engines and Voith transmissions.

Perhaps today possibly tomorrow...

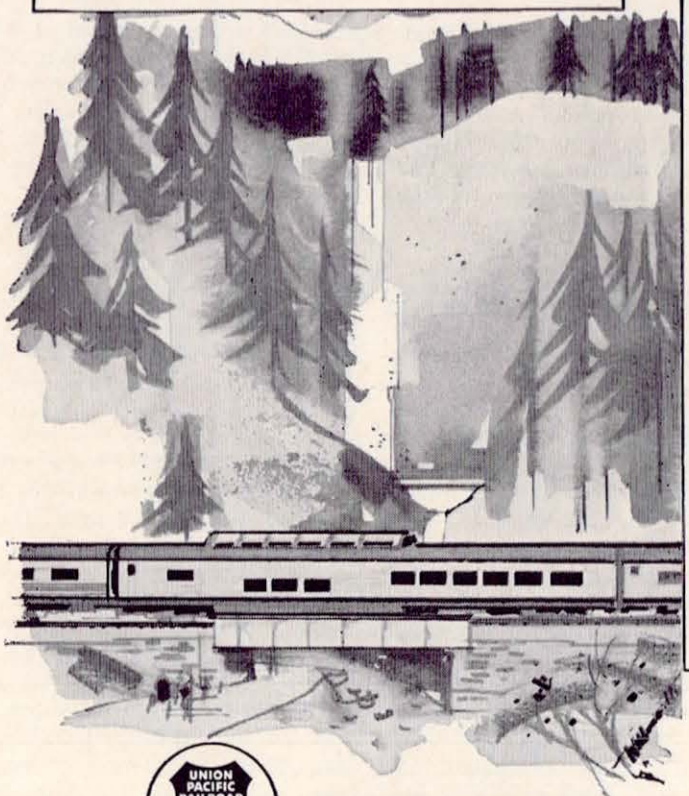
IN ANY EVENT SOME DAY SOON

. . . you'll avail yourself of the rail transportation Union Pacific provides. Then you will know for a certainty that here is a railroad that is constantly seeking better ways to satisfy the shipping and travel requirements of its patrons.



FOR SHIPPERS

a modern, dependable freight service as fine as human ingenuity, mechanical skill and electronic devices can make it.



FOR TRAVELERS

these popular Domeliners to and from the Pacific Coast—

From Chicago:

CITY OF
LOS ANGELES

CITY OF
SAN FRANCISCO

CITY OF
PORTLAND

From St. Louis and Kansas City:

CITY OF
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May we serve you? Consult any Union Pacific representative

UNION PACIFIC RAILROAD

OMAHA 2, NEBRASKA

Market Outlook

Carloadings Rise 1.3% Above Previous Week's

Loadings of revenue freight in the week ended Oct. 21 totaled 650,775 cars, the Association of American Railroads announced on Oct. 26. This was an increase of 8,603 cars, or 1.3%, compared with the previous week; an increase of 13,202 cars, or 2.1%, compared with the corresponding week last year; and an increase of 43,258 cars, or 7.1%, compared with the equivalent 1959 week.

Loadings of revenue freight for the week ended Oct. 14 totaled 642,172 cars; the summary, compiled by the Car Service Division, AAR, follows:

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, Oct. 14

District	1961	1960	1959
Eastern	87,823	92,204	86,110
Allegheny	105,121	105,543	83,151
Pocahontas	57,130	53,090	47,982
Southern	116,962	117,154	115,351
Northwestern	98,450	104,291	65,799
Central Western	125,256	127,691	130,480
Southwestern	51,430	53,304	50,537
Total Western Districts	275,136	285,286	246,816
Total All Roads	642,172	653,277	579,410
Commodities:			
Grain and grain products	61,846	69,097	54,962
Livestock	8,702	10,561	12,705
Coal	114,923	110,827	109,651
Coke	8,198	6,284	3,290
Forest Products	39,277	38,370	38,264
Ore	50,844	50,846	10,178
Merchandise l.c.l.	27,732	35,694	41,784
Miscellaneous	330,650	331,598	308,576
Oct. 14	642,172	653,277	579,410
Oct. 7	639,941	645,986	557,576
Sept. 30	638,268	632,227	572,352
Sept. 23	605,842	617,673	587,611
Sept. 16	594,338	598,741	577,457
Cumulative total, 41 weeks	22,365,631	24,579,257	24,555,050

PIGGYBACK CARLOADINGS.— U.S. piggyback loadings for the week ended Oct. 14 totaled 12,319 cars, compared with 11,614 for the corresponding 1960 week. Loadings for 1961 up to Oct. 14 totaled 458,426 cars, compared with 438,341 for the corresponding period of 1960.

IN CANADA. — Carloadings for the seven-day period ended Oct. 7 totaled 78,050 cars, compared with 96,900 for the previous nine-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Oct. 7, 1961	78,050	24,785
Oct. 7, 1960	77,762	27,104
Cumulative Totals		
Oct. 7, 1961	2,680,369	935,822
Oct. 7, 1960	2,855,414	1,080,826

New Equipment

PASSENGER-TRAIN CARS

► *General Electric Co.*—Received orders valued at more than $4.5 million for 118 sets of motors, gears, and controls for rapid transit cars to be built by St. Louis Car.

► *Philadelphia Passenger Service Improvement Corp.*—Has "tentatively" accepted bids from the Budd Co. for construction of 36 passenger cars at a total cost of $9,186,000. Included are 24 stainless-steel, electric MU cars at a cost of $6,186,000, with final approval contingent on completion of leasing arrangements with the Pennsylvania and the Reading (RA, Aug. 14, p. 31); and 12 stainless-steel self-propelled cars, costing $3,000,000, with approval awaiting completion of financing arrangements under the 1961 Housing Act's urban transportation provisions.

PIGGYBACK

► *Louisville & Nashville.*—Is acquiring an additional 50 40-ft van-type trailers for piggyback service. This will make a total of 285 trailers of all types in the L&N TOFC fleet.

SPECIAL

► *Pennsylvania.*—Has invested $2,400,000 in tri-level auto racks for 200 low-deck, 89-ft flat cars which it is receiving from Trailer Train, and in unloading facilities at Kearny, N.J., Norristown, Pa., and Baltimore.

LOCOMOTIVES

► *Frisco.*—Ordered eight U25B diesel units from General Electric Co. at a cost of $1,760,000. Delivery will start Nov. 1.

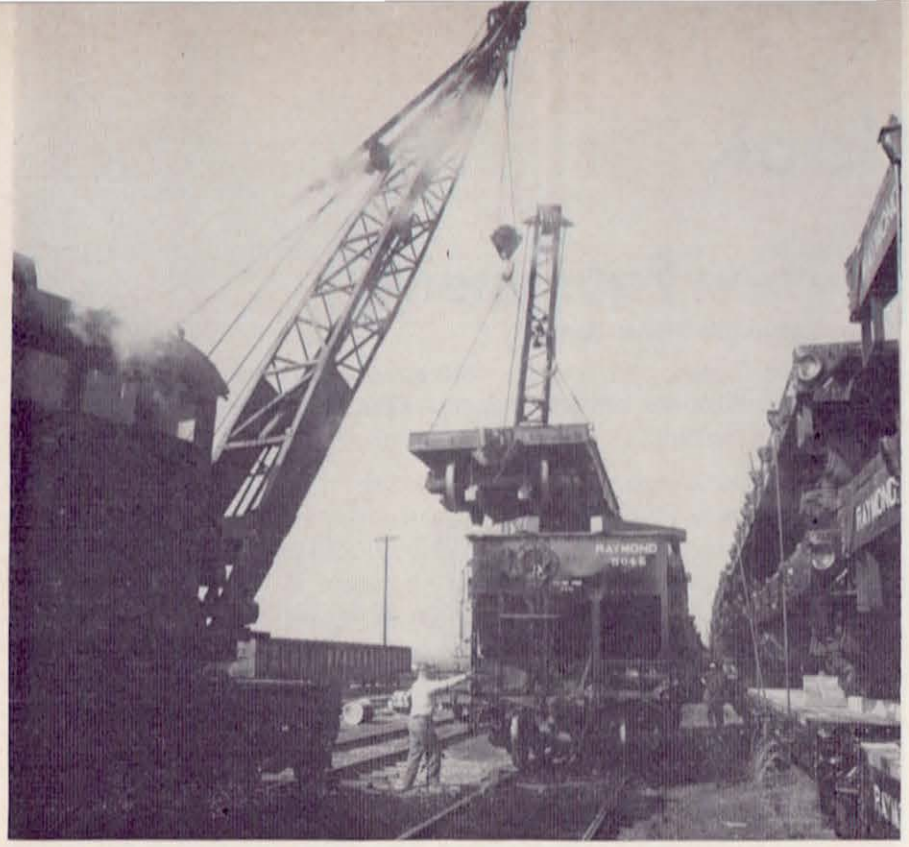
New Facilities

► *City of Montreal.*—Plans to begin construction of a 21-mile, $150-million subway in the spring of 1962. Formal City Council approval of the project, which has been in the planning stage for several years, is expected within the next few weeks.

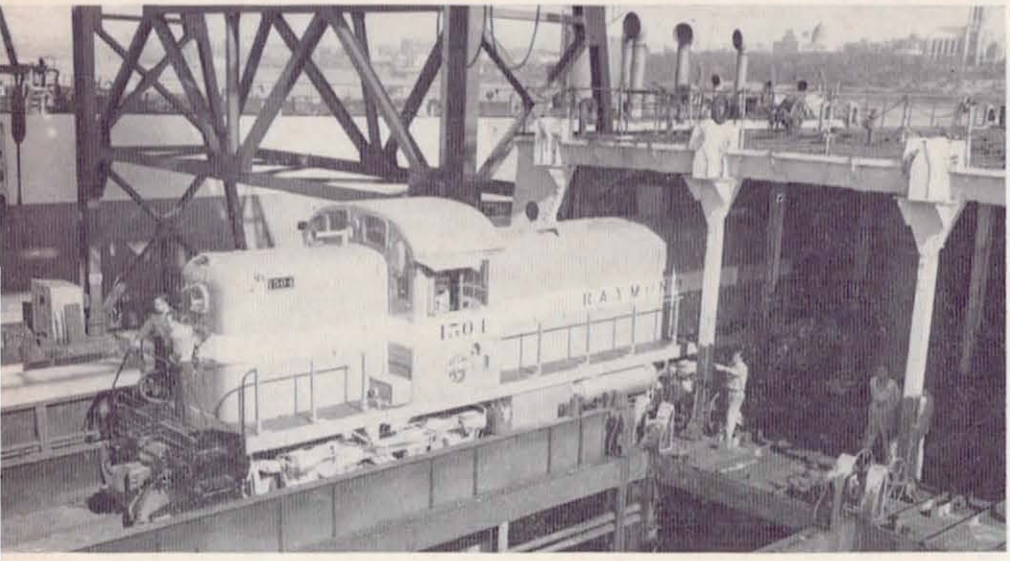
Orders & Deliveries

► *Orders Increase.*—Orders were placed in September for 3,143 freight cars, compared with 1,474 for August. September 1960 orders totaled 2,156. Deliveries in September totaled 2,700, compared with 2,428 in August and 4,300 in September 1960. The backlog of cars on order and undelivered as of Oct. 1, 1961, was 10,133, compared with 9,690 on Sept. 1 and 21,662 on Oct. 1, 1960.

TYPE	ORDERED Sept. 1961	DELIVERED Sept. 1961	UNDELIVERED Oct. 1, 1961
Box—Plain	42	755	3,201
Box—Auto	0	0	0
Flat	459	657	1,363
Gondola	0	0	250
Hopper	1,850	404	2,236
Cov. Hopper	285	185	621
Refrigerator	210	420	1,403
Stock	0	0	0
Tank	297	200	891
Caboose	0	21	0
Other	0	58	168
TOTAL	3,143	2,700	10,133
Car Builders	1,280	2,014	3,841
Railroad Shops	1,863	686	6,292



CARS WERE STACKED in and on each other, prior to shipment, by New York, Susquehanna & Western Railroad forces, working at Edgewater, N. J., pier.



EVERY INCH of "Seatrain New York's" built-in railroad trackage was utilized by loading in accordance with a carefully worked out "paper plan."

Seatrain Ship Carries 'Two RRs' to Africa

► **The Story at a Glance: What may be the largest trans-oceanic shipment of rail equipment ever carried in a single vessel left New York Oct. 18. It was due Oct. 30 in Liberia, where it will be used to build a port and a 165-mi ore line.**

When the "Seatrain New York" sailed from its namesake city the week before last, it carried on the mile of trackage built into its four decks enough cars and locomotives to equip two complete construction railroads.

The $2-million cargo included 12 diesel locomotives; 195 standard and specialized cars, and hundreds of tons of rail, track fittings, fuel and miscellaneous construction materials and vehicles.

Owner of the 6,000-ton cargo is Raymond International, Inc., a leading New York construction firm, which holds a $49-million contract to build a heavy-duty, 165-mile ore-carrying railroad and a new ocean port in Liberia. Both projects are being undertaken for Lamco, a $200-million joint venture of United States and Swedish steel interests and the Liberian government. Lamco's objective is to develop in Liberia's Nimba Mountains iron ore deposits assayed as having 235,000,000 proved tons of high-grade ore, and 500,000,000 tons of reserves. First-stage production is estimated at 6,000,000 tons of ore per year, most of which will be shipped to this country and Western Europe.

To build the railroad which will tap these ore deposits, Raymond is assigning, out of the Seatrain shipment, five 120-ton diesel locomotives, 80 50-ton hopper cars, 28 42-ft flat cars, three gondola cars, a tank car and a self-propelled locomotive crane. The complete job will require also more than a million tons of track ballast, to be obtained locally; some 40,000 tons of rail; and rolling stock and signal and communications equipment to operate what is planned as a "thoroughly sophisticated" railroad.

The rest of the "Seatrain New York's" cargo—one 120-ton and six 44-ton locomotives, 75 28-ft flat cars and three side-dump cars—will be used by Raymond in building a new deep-water port at Buchanan, about 50 miles southeast of the Liberian capital, Monrovia. The port is planned for eventual handling of ships of up to 65,000 tons capacity.

In addition to harbor dredging and pier construction, the port work involves an ocean breakwater calling for about 2,700,000 cu yd of rock. This will be moved from local sources in rock skips carried on the special 28-ft flat cars—cut down from standard units—and hauled in trains on top of completed portions of the breakwater to supply rock-placing cranes. Seventy-four of these rock skips, fabricated in Milwaukee by the Heil Co., are being separately shipped this month from New Orleans.

Most of the railroad cars in the Seatrain shipment, and all of the six 120-ton Alco diesels, were purchased by Raymond from the recently-abandoned Lehigh & New England. The six 44-ton General Electric diesels were obtained from various sources, including such short lines as the Sanford & Eastern. Rail and accessories were furnished by

the Foster International Corporation.

All equipment was completely shopped prior to shipment, and repainted—the cars in conventional black; the locomotives with silver undercarriages and light blue superstructures with black lettering on a white horizontal stripe. All equipment carries the Raymond name.

To load the 12 locomotives and 195 cars, plus miscellaneous equipment, in a ship which normally carries 100 standard freight cars or truck-body-size freight containers in U. S. Atlantic Coast service, required careful advance planning as well as some novel packing methods.

The standard 42-ft flat cars, for example, were stacked three high, to fit each group into space normally occupied by one box car. Each of the modified 28-ft flat cars was placed on top of a standard hopper car, with the two four-wheel trucks hanging down into the hopper car body. The trucks, in turn, were wired to their flat cars to keep them from falling off during the voyage. Rail and other construction materials were loaded into some of the cars.

Stacking of cars and some of the other loading preparations were handled by forces of the New York, Susquehanna & Western, which serves Seatrain's New York harbor pier at Edgewater, N. J. The Susquehanna also delivered the rolling stock to that pier prior to shipment, in what one observer described as "probably the longest train it ever ran."

In addition to providing for maximum utilization of the vessel's capacity, the loading pattern was designed also to insure logical unloading at Buchanan. That work will be done by construction cranes operating on an existing pier, to track already in place to receive the rolling stock. Unloading time, however, will be considerably longer than the two days required to load at New York, with Seatrain's special gantry cranes and freight-car-carrying cradles.

The "Seatrain New York" is making its African voyage under charter to Raymond. It is the first trans-oceanic voyage by a Seatrainer since World War II, when the line's ships delivered military tanks, planes and artillery to many combat theaters. The Seatrain method of shipment was selected because, according to Raymond, "it could save construction time and money by shipping the project's large order of diversified railroad equipment at one time," and thus help to meet Lamco's tight construction schedule. Ordinarily, Raymond officials felt, several regular break-bulk ships, each requiring four or five days to load, would have been required for the amount of equipment involved.

'Master' Merger Plan Next Step—Barriger

The next great step in mergers will be "a regional plan for the East, promulgated or sponsored by the Interstate Commerce Commission," Pittsburgh & Lake Erie President J. W. Barriger predicted last week.

"If the Commission defaults in performing this duty," Mr. Barriger told a Railroad Transportation Institute at Pittsburgh Oct. 24, "then some other governmental body will of necessity undertake it."

The P&LE chief executive expressed the opinion that there is "room for only two fully competitive railroad systems in the eastern region."

He vigorously defended the "master plan" concept of mergers.

"It has always seemed to me," said Mr. Barriger, "that the stigma attaching to the idea of a master plan for consolidation is wholly the consequence of the deplorably poor job the Commission did in 1921 and 1929 in the formation of proposed systems out of the national railway network. It was this default, which need not be repeated, and not the basic philosophy behind the Congressional mandate to prepare a master plan, that was to blame. Under the present circumstances I believe that the Commission could prepare sound regional or national plans of allocating the mileage therein among systems that would be competitively well balanced from the basic standpoints of traffic, operation and finance.

". . . Until some authoritative body does prepare such a plan and the responsibilities of conforming to it are accepted by all companies which would undertake major consolidation, I see no possibility of accomplishing important railroad mergers to which excluded railroads and the territories they serve could object. Railroads excluded from major mergers and their service areas will become 'orphans of the storm,' doomed to inferior status, with the only prospect for rescue from it coming from the cheerless possibility that their resulting fiscal deterioration may finally make these properties available for acquisition on a fire sale basis of security exchange or purchase terms by successfully consolidated systems. There may have been a time when this would have been 'good business', but with the kind of competition railroads now have from other modes of transportation, there may not be anything left but the shell."

Any "master plan," in Mr. Barriger's view, must primarily consider the public interest—and, he declared, "public interest is not limited to concern for the areas served by two or more railroads that may propose merger between themselves. Their plans must be tested by their effect upon the other railroads, and upon the services these other railroads render to the areas they serve. They cannot be judged solely by the private benefits to the components of a particular merger. While regional plans afford opportunity to reconcile the interest of communities served by other than primary main lines through the development of adequate services on secondary and branch lines, the great benefit will come from reconciling the conflicting regional interests that are threatened by opportunistically conceived consolidation plans which recognize no responsibility to other regions."

Mr. Barriger concluded: "It is later than we think. We have no time to spare within which the eastern railroads must be consolidated into two great geographically complete and competitively well balanced systems. This corporate status must be attained in order to enable the privately owned and operated railroads of this region to survive the next down-turn in the national economy—and thereafter regain their rightful place among the industrial leaders of our dynamic national economy."

Another speaker at the Pittsburgh institute, U. S. Rep. James E. Van Zandt (R.-Pa.), warned that the threat posed by S.1197—the so-called "Hoffa bill"—is not yet past. The bill would, in the railroads' view, emasculate the rate-freedom provisions of the 1958 Transportation Act.

"Rate-making freedom should be extended and not curtailed," asserted Mr. Van Zandt. "Consumer prices should not be inflated by unnecessarily high transportation costs. Each transportation agency should be free to tailor services to fit the needs of customers. But under government regulation today, these basic principles of sound regulatory policy are completely ignored. The result has been to encourage the inefficient in transportation at the expense of the efficient."

PEOPLE IN THE NEWS

ATLANTIC COAST LINE.—Paul C. Shu, division superintendent, **Southern,** Greensboro, N.C., appointed assistant to vice president—operations, ACL, Jacksonville, Fla.

CHESAPEAKE & OHIO.—George Roach, assistant general manager, World Commerce Department, New York, promoted to general manager of that department, succeeding **George C. Marquardt,** who retires Oct. 31. **John J. Bailey,** manager, World Commerce Department, New York, succeeds Mr. Roach as assistant general manager.

COTTON BELT.—C. W. Baker, district freight agent, Pine Bluff, Ark., promoted to assistant general freight agent, Memphis, Tenn., to succeed **J. H. Arnold,** who retires Oct. 31. **J. M. Faucett** replaces Mr. Baker.

DELAWARE & HUDSON.—Effective Nov. 1, this road is changing the titles of its traffic representatives to emphasize the sales characteristics of their positions. Generally speaking, on-line sales offices will be in charge of division sales managers and off-line offices will be headed by district sales managers. Former commercial agents will become assistant district sales managers and traveling freight agents and freight representatives will become sales representatives. The Atlanta office will be in charge of Southeastern sales manager. The district sales manager at Boston, Mass., and Portland, Me., will report to the New England sales manager, Boston.

G. Clayton Seaman, western traffic manager, Chicago, promoted to Canadian sales manager, Montreal, Que., succeeding **Fred Sorbe,** Canadian traffic manager, who retires Nov. 1. **Leonard Unger,** eastern traffic manager, Albany, N. Y., appointed general sales manager, a new position.

There has been a realinement of the office of general superintendent of transportation. That office has absorbed the superintendent's office, effective Oct. 23. **Kenneth E. Miller,** general superintendent of transportation, continues as head of the department with the new title of general superintendent. **Philip W. Young,** former superintendent of the system, assumes the duties of assistant general superintendent. **Frank W. Hewitt,** principal assistant to general superintendent of transportation, named superintendent of transportation and will be in charge of allied services and staff work.

FRISCO.—Ernest D. Grinnell, Jr., general solicitor, elected vice president and general counsel, to succeed **J. L. Homire,** who retires Oct. 31.

R. L. Lipscomb named assistant trainmaster-general agent, Memphis, Tenn., effective Nov. 1.

C. A. Peebles, division engineer, River division, Chaffee, Mo., transferred to the Eastern division, Springfield, Mo., to replace **G. L. Harris,** appointed assistant principal engineer, Springfield. **G. C. Payne,** assistant division engineer, Amory, Miss., succeeds Mr. Peebles. **L. F. Woodlock,** roadmaster, Fort Scott, Kan., named division engineer, Western division, Enid, Okla.

JERSEY CENTRAL LINES.—John M. Gehring, general western freight agent, Chicago, named assistant general freight agent, Philadelphia, succeeding the late **Edgar T. Ginder. John J. Regan,** assistant division freight agent, Jersey City, succeeds Mr. Gehring. **Walter W. Robinson,** assistant division freight agent, Long Branch, appointed industrial agent, succeeding **William J. Desmond,** who replaces Mr. Regan. **Howard J. Page,** commercial agent, Jersey City, succeeds Mr. Robinson. **Merle W. Arnold,** traveling freight agent, Pittsburgh, named general agent, Cleveland, succeeding **Frederick F. Siegel,** retired Sept. 30.

MISSOURI PACIFIC.—Albert A. Griesbauer, auditor disbursements, St. Louis, retires Oct. 31.

NEW YORK CENTRAL.—Richard C. Marshall, assistant director of public relations, NYC, New York, resigned to become general manager of Defense Marketing Services, Inc., New York.

NORFOLK & WESTERN.—Norman T. Provest, commercial agent, Boston, appointed general agent there, succeeding **Roy E. Cashen,** retired. **Hollis J. Hamilton,** commercial agent, Boston, named district freight agent there.

NORFOLK SOUTHERN.—Frank J. Tally, assistant vice president—operations, Norfolk, Va., retired Oct. 16.

PANHANDLE & SANTA FE.—R. M. Champion, Jr., appointed trainmaster, San Angelo, Tex.

SEABOARD.—E. H. Smart, division freight agent, Savannah, Ga., retires Oct. 31.

SOUTHERN.—Harold H. Hall, assistant superintendent, Birmingham, Ala., promoted to superintendent, Macon, Ga., succeeding **James W. Gessner,** transferred to Greensboro, N. C. **James E. Sims,** trainmaster, Greensboro, succeeds Mr. Hall at Birmingham.

H. G. Oliver, acting general freight and passenger agent, El Paso, Tex., appointed general freight and passenger agent there, succeeding **Frederick D. Bunsen,** retired.

SOUTHERN PACIFIC. — J. J. Harr, assistant traffic manager, eastern district, New York, promoted to traffic manager there, succeeding **F. M. Lally,** who retires Oct. 31. **J. H. Mulchay,** general agent, Cleveland, named assistant traffic manager, New York. **R. T. Scott,** assistant general agent, Chicago, named general agent, Cleveland.

Industrial Traffic

V. M. Stechishin has established a professional consulting practice in Room 101, Manitoba House, Winnipeg 2, Man., to serve shippers and carriers. Mr. Stechishin was formerly manager, Manitoba Transportation Co., Winnipeg.

Theodore E. Jasin, assistant traffic manager, **Babcock & Wilcox Co.,** has been appointed general traffic manager, Boiler division, Barberton, Ohio.

Jule W. Deininger, traffic manager, **Diamond National Corp.,** Middletown, Ohio, has been appointed corporate director of transportation, New York.

Organizational changes in the general traffic department of **Union Carbide Corp.** include new assignments for five traffic managers: **J. W. Cameron,** traffic manager for Linde Co., Haynes Stellite Co., Union Carbide Nuclear Co. and Pyrofax Gas Corp.; **R. J. Cunningham,** traffic manager for National Carbon Co. and Union Carbide Consumer Products Co.; **W. E. Morgan,** traffic manager for Union Carbide Chemicals Co. and Union Carbide Olefins Co. (not including calcium carbide and lime); **V. F. Treadwell,** traffic manager for Union Carbide Metals Co., Union Carbide Ore Co., Union Carbide Olefins Co. (calcium carbide and lime only); **V. G. Wilson,** traffic manager for Silicones division, Union Carbide Development Co., Union Carbide Plastics Co., and Visking Co. Other traffic managers appointed are: **E. R. Rista**—Administration; **L. S. Truslow,**—Transportation and Allied Services and **A. J. Fenaroli**—Planning and Research. **K. O. Smart** appointed manager of private and leased railroad equipment, serving all divisions of the corporation (co-ordinating his activities with Mr. Truslow's). **R. R. McNickle** continues as manager of cost analysis (co-ordinating his activities with Mr. Fenaroli's. **R. L. Juillerat** and **W. I. Neyland** join the planning and research group as assistant traffic managers. **E. A. O'Brien** and **F. C. Tighe** continue as assistant general traffic managers.

Paul C. Shu
ACL

Ernest D. Grinnell, Jr.
Frisco

Supply Trade

Motorola, Inc. has appointed **Richard G. Jones** sales manager of microwave equipment to railroads.

B. W. Crenshaw, vice president—sales, **Scullin Steel, Division of Universal Marion Corp.,** has been appointed executive vice president and general manager.

Kenneth L. Selby has been elected vice president of **National Castings Co.,** Cleveland, and group executive of the company's Transportation Products and Capital Foundry divisions. **Mellor W. Stevenson** succeeds Mr. Selby as divisional vice president and general manager, Transportation Products division.

Adams & Westlake Co., Elkhart, Ind., has purchased the **Loeffelholz Co.,** Milwaukee, Wis. **Nicholas J. Nowicki,** member of the Loeffelholz engineering and sales staff, has been retained by Adlake's Transportation Division and will operate from the Chicago sales office.

M-W Equipment Co., Division of **Metalweld, Inc.,** has been appointed exclusive franchised distributor for **Silent Hoist & Crane Co.**

David Shisler has been appointed manager of application engineering for **Lynch Communication Systems Inc.** Mr. Shisler was formerly manager of the inside sales department.

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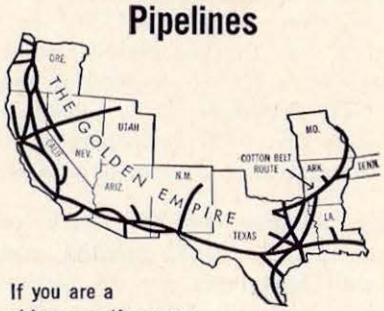

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The engineering and general offices of **Travelift**, division of **Drott Mfg. Corp.**, now located at Sturgeon Bay, Wis., are being moved to Wausau, Wis., where they will be consolidated with the factory and home office location there.

Lewis Bolt & Nut Co., Minneapolis, Minn., has appointed the **Modern Supply Co.**, 222 West Adams St., Chicago 6, Ill., **Robert E. Mann.**, and **Earle A. Mann**, as manufacturers representatives.

B. Nevling Clune has been appointed vice president and general manager, Scale division, **Fairbanks, Morse & Co.**, Yonkers, N. Y. **Harold E. Bosley**, midwestern scale sales manager, Chicago, appointed acting division sales manager, Fair Lawn, N. J. **A. B. Parker**, western district office manager, San Francisco, Calif., named product manager, Fair Lawn. **M. L. Frost**, director of management engineering, Royal McBee Corp., Port Chester, N.Y., appointed director of planning for Fairbanks, Morse at Fair Lawn.

A. D. McCombs, manager, Pittsburgh sales and service branch, **Trailmobile Inc.**, has been named to handle railroad sales of trailers, containers and special equipment at the newly opened sales office at 1907 Oliver building, Pittsburgh.

Vroman W. Riley has been assigned sales responsibility in 15 Eastern states for the Microwave department, **Radio Corp. of America**, at Camden, N. J., succeeding **R. J. Fichthorn**, who has been transferred to the department's national accounts group.

Donald F. Moulton has been appointed technical service representative in Vermont for **Oakite Products, Inc.**

Tell Steel, Inc., Long Beach, Calif., has been appointed a distributor of wrought iron hot rolled products for **A. M. Byers Co.**, Pittsburgh, Pa.

Russell L. Gilpin has been appointed sales manager, Universal Joint Division, **Dana Corp.**, Toledo, Ohio.

OBITUARY

Frederick B. Adams, 83, who was chairman of the boards of the **Atlantic Coast Line** and **Louisville & Nashville** from 1944 to 1955, died Oct. 23 at his home in New York.

William J. Carroll, 60, assistant superintendent, Central division, **Jersey Central**, and transportation manager **New York & Long Branch**, died Sept. 14 at Riverview Hospital, Red Bank, N.J.

Daniel W. Helt, 78, retired president, **Brotherhood of Railroad Signalmen of America**, died Oct. 21.

Rowland B. Hill, 69, head of the **R. B. Hill Railway Supply Co.**, Chicago, died Oct. 19 at his home in Evanston, Ill.

Bertram I. Kaplan, 63, chairman of the board, **United States Railway Equipment Co.**, died Oct. 23 in Michael Reese Hospital, Chicago.

William M. Neal, 75, who retired in 1948 as chairman and president, **Canadian Pacific**, died Oct. 19 at Long Bow Lake, near Kenora, Ont.

Jasper Simmons Riggan, 62, director of personnel, **Seaboard Air Line**, Richmond, Va., died, apparently of a heart attack, while on a visit to Washington, D. C., Oct. 22.

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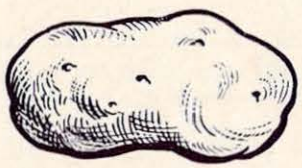

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Parcel post rates would be raised about 6% and the weight and size limits on parcels revised upward to 50 lb and a combined length and girth of up to 100 in. under a proposed plan to help the Post Office Department reduce its annual deficit of about $840 million. The department will hear shippers' opinions Dec. 11. Final versions of the plan have not as yet been sent to the ICC.

Giant pipelines one day will criss-cross the country carrying such solid materials as coal, ore, grain, and chemicals, Charles C. Whittelsey, president of the New York engineering firm of Ford, Bacon & Davis, Inc., told the convention of the American Society of Civil Engineers in New York. "Many industrial raw materials and chemicals moved today by truck and rail will be transported by pipelines tomorrow," he said. He pointed out that experiments are now being conducted in processing wood pulp during transit.

A second special northbound piggyback train weekly has doubled Seaboard Air Line's northbound service making second-morning deliveries to Richmond, Washington, Baltimore, Philadelphia, and New York from the Atlanta area and various sections of Florida as far south as Miami. The trains carry citrus fruit, chilled citrus juices, paper bags, and fresh ice-packed poultry from Georgia, among other commodities.

Barge line purchase proposed jointly by the Norfolk & Western and Chesapeake & Ohio will come up for hearing before ICC Examiner Clarence K. King in Washington December 5. The two roads have asked the Commission to approve their purchase of Island Creek Fuel & Transportation Co., an Ohio river coal hauler which is now owned by Island Creek Coal Co. (RA, Apr. 10, p. 11).

P. M. Shoemaker, chairman of the Erie-Lackawanna, on Oct. 25 received from Assistant Defense Secretary Thomas D. Morris—also president of the Armed Forces Management Association—an award from that association in recognition of Mr. Shoemaker's work in improving logistics management in the Defense Department—performed in connection with the second Hoover Commission's program.

Railroad commuter service in Chicago is in danger of "dying on the financial vine," IC Vice President F. E. Martin said last week. He noted that IC suburban operations, requiring an investment of $40 million, have produced a profit in only three of the past 13 years. Net loss for the period has totaled almost $5 million. Mr. Martin placed blame for this situation upon long time-lags in fare-increase cases, on subsidized competition from transit operations and the great increase in public highways and expressways. He said public understanding is needed to help railroads obtain pricing and schedule freedoms, tax relief and coordination of transit and railroad services.

Crewless subway trains are being considered as a possibility on four lines, including the Flushing IRT line which will service the 1964 World's Fair, by the New York City Transit Authority. The automatic equipment will be tested for three to six months beginning in late November on the Times Square-Grand Central shuttle. If these tests are successful, unmanned trains will be tried out on the three other lines.

Transportation people should "do less talking to each other and more talking to the general public," in the view of Commissioner William H. Tucker of the ICC. In an address before the Movers Conference of America at New York last week, Mr. Tucker suggested that "the real statesmen of the next year in transportation will be those leaders who are able to generate the force of American public opinion as a basic factor in the development of a transportation solution."

A truck-driver force "greater than our nation's entire armed forces" would be needed to replace the transportation work performed by 800,000 railroad employees, Reading President E. P. Gangewere told the Trenton (N.J.) Traffic Club. Mr. Gangewere said the fact that railroads handle more than five times as much freight traffic per worker as truckers is "one big reason for the railroads' competition seeking legislation designed to prevent the full realization of railroad efficiency."

Union Tank Car's net income for the first nine months of 1961 is up 6% over the like period last year despite a 13.5% decrease in sales. UTC President E. A. Locke, Jr., feels this "will be generally representative of the year as a whole."

Fines totaling $45,850 were paid during the three months ended with September by 38 railroads for violations of the Safety Appliance, Hours of Service, Signal Inspection and Locomotive Inspection acts. Biggest payer, according to ICC, was New York Central, assessed $4,150. Next came fines totaling $4,000, assessed against the former Delaware, Lackawanna & Western, but Erie-Lackawanna was assessed only $750.

PRR: 200 Auto Racks

The Pennsylvania last week announced a "substantial" expansion of its new-auto-transport service. PRR, whose auto-rack service previously has been confined to bi-level cars moving between St. Louis and Baltimore, is now equipping 200 low-deck, 89-ft Trailer Train flat cars with tri-level racks for service between midwestern assembly plants and eastern metropolitan areas. Twenty-five of the newly-equipped cars are already in service. The remaining 175 will be in operation "within a few weeks." Each car carries up to 15 autos. PRR has built new facilities for unloading the autos at Kearny, N.J. (serving New York); near Norristown, Pa. (for Philadelphia) and at Baltimore. Total investment in auto-rack equipment and terminal facilities is $2,400,000.

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The author was for some time manager of the Canadian National Railway Personnel Section at Montreal and there devised a management training program which attracted particularly wide and favorable comment. Mr. Daffern is presently associated with a prominent management consulting firm. His special knowledge of the training problems of the railroads makes this volume of unique value to transportation personnel.

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- Performance appraisals among middle management in Railroading

This book has been sponsored by the Railway Progress Institute and was produced under the supervision of the Institute's Committee on Executive Development

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Things Worth Fighting For

It is easy enough to become discouraged over the situation of the railroads—twenty-five years of talk, talk, talk about the "railroad problem" or the "transportation problem." Meantime nothing is done about it, except to appropriate additional billions of tax money to make the "problem" more nearly insoluble. A respected Boston newspaper, the Herald, has thrown up its hands over the whole business. Speaking of the New Haven (which is not alone, but only in the vanguard of distressed railroads) the paper writes:

> "The road is on its death bed because no firm government policy has been provided in the last 15 years to remedy its mortal illness. Now that the line is in extremis, still more drastic remedies are needed. The governments that could not administer moderate relief will not now find the more desperate medicine."

●

As for us, we sympathize with those who despair of the situation. The inaction of responsible public authorities (and informed public opinion which controls these authorities) is just beyond belief. Nevertheless, we do not share this pessimism. The reason we do not share it is because—

It is not the railroad industry which is on a sick bed—it is the American government, and the public opinion that controls the government, who need the medication. They have created the "railroad problem." They contribute daily to making it worse. *If America cannot, does not, deal honestly and conclusively with this problem, then what are America's chances of emerging a victor in the international cold or hot fight to the death which confronts it?* We are concerned, not primarily for the health of the railroads, but for the political and moral and economic intelligence and courage of the American nation. Unless that can be aroused, then there's no use in being particularly concerned about the railroads or about anything else.

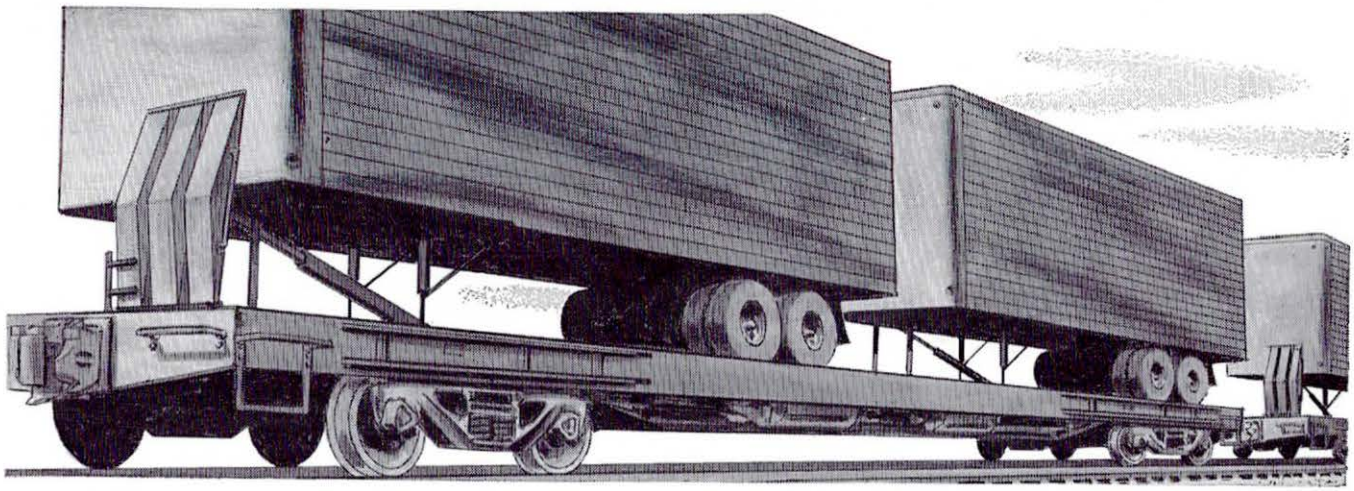
By now practically all public officials and alert citizens realize that America is wasting its economic substance in allowing railroads to be burdened to the point, in some cases, of near destruction, by adverse political action—the resultant of uninhibited pressure-group power against them. These pressure groups have not been at all furtive or shame-faced. The highway interests did not wear false faces when they went after the biggest pork-barrel haul in history—untold billions for the federal interstate highway system, with no regard for its competitive effect on railroads—and with no concern for the fact that the country needs the railroads it already has, at least as much as it needs additional highways.

The waterways and air transport plunderbunds have been equally brazen in successfully pursuing their exactions. National transportation policy and action have been the resultant of open and unabashed pressure group operation. The discipline of the free market (everybody paying for what he gets) has been wholly forsaken in those forms of transportation in which government has become involved —i.e., highway, waterway and air. Only the railroads are trying to carry on under the old rules; and they are obviously not succeeding, and cannot.

A vast continental area such as the U.S.A. cannot prosper without the economical transportation which only railroads can provide, especially for longer distances. The country, therefore, since it must have its railroads, is faced with the alternatives of reverting to the free market (i.e., self-support) for all forms of transportation, or of putting railroads on the public payroll—along with waterways, highways and air transportation. But that is no real solution to the problem, as other countries which have resorted to government ownership have discovered by experience.

Russia has hit upon the only program which will make socialism work—with some degree of efficiency—that is, through a centralized dictatorship, completely immune from pressure by an electorate. The bureaucrats in Moscow can make a rational and economic division of capital investment among the several forms of transportation. No selfish pressure group can stop them. We cannot expect such rational action by our bureaucrats, because we subject them to political pressure. So, if we persist in pursuing the path of socialization—as most other countries in the West are also doing—we will before long come to the point where our socialism will have to be turned over to an able and completely independent centralized dictatorship. When that time comes, wherein will the U.S.A.—and the rest of the West—differ in any essential particular from the Soviet Union?

We are optimists enough to believe that Americans can be brought to see that the "railroad problem" or the "transportation problem" is no mere brawl between self-seeking competitors, but is instead a test of this nation's right and ability to remain prosperous and free. When they see the problem in this light, as they must, it will be quickly resolved, and we'll go on to solve much tougher ones. This is why we are optimistic—or at least hopeful—about the future of the railroads.



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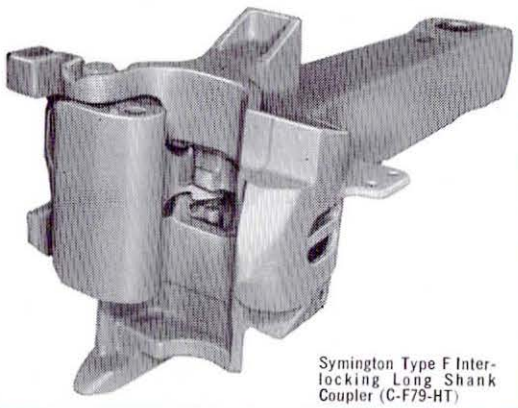

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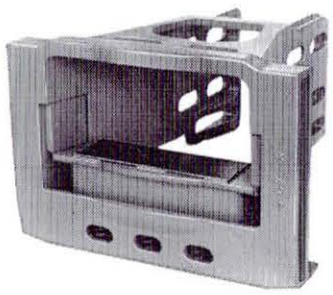
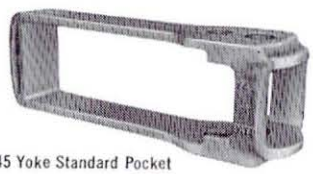
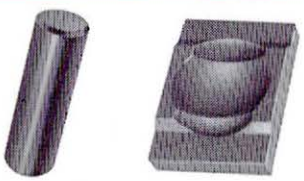


S-87 Striking Casting



Y-45 Yoke Standard Pocket



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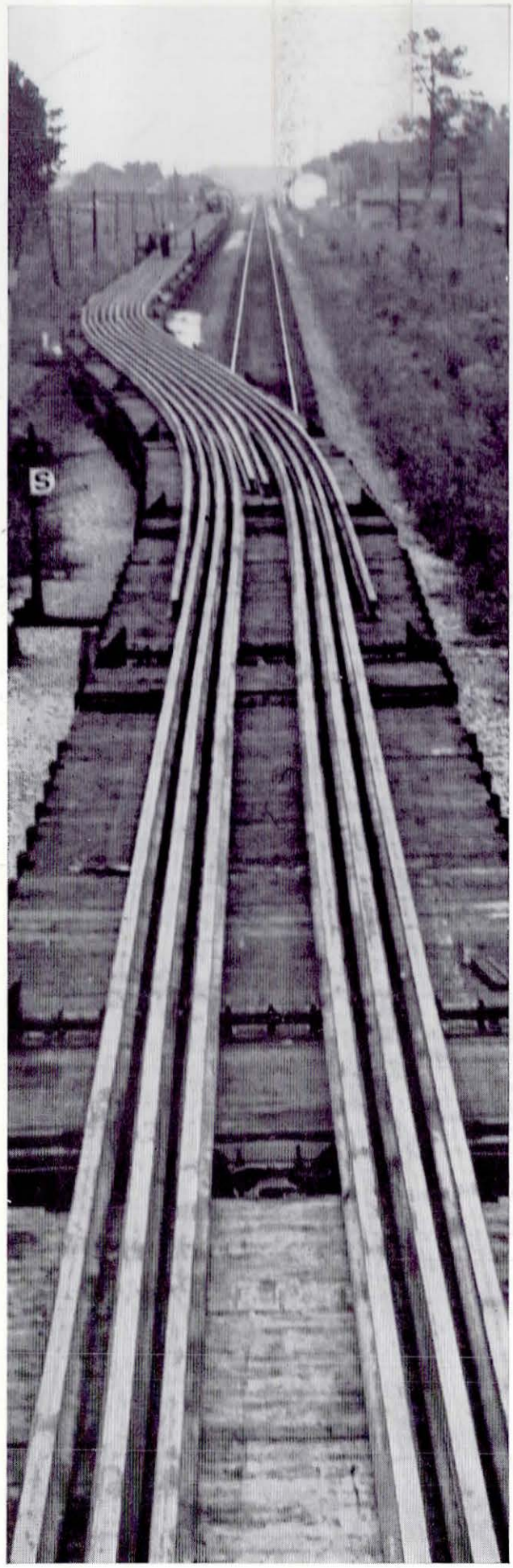

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